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MONTEREY, CALIFORNIA

THESIS

**ANALYSIS OF THE OFFICER LATERAL TRANSFER AND
REDESIGNATION PROCESS AND ITS IMPACT ON THE
UNRESTRICTED LINE**

by

Frank J. Ryan III

March 2007

Thesis Advisors:

Stephen L. Mehay
William D. Hatch

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**AN ANALYSIS OF THE OFFICER LATERAL TRANSFER AND
REDESIGNATION PROCESS AND ITS IMPACT ON THE UNRESTRICTED
LINE**

Frank J. Ryan III
Lieutenant, United States Navy
B.A., Chaminade University, 1999

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March 2007**

Author: Frank J. Ryan III

Approved by: Stephen L. Mehay
Thesis Advisor

William D. Hatch
Thesis Co-Advisor

Robert N. Beck
Dean, Graduate School of Business and Public Policy

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ABSTRACT

This study analyzed the impact of the lateral transfer and redesignation process on the retention of Unrestricted Line (URL) Officers. The analysis first attempted to identify “dissatisfying” factors that motivate URL officers to request lateral transfer or redesignation. This part of the thesis was based on a review of historic Navy-administered surveys and a survey administered to the fleet by the author. In the second part of the thesis, Officer Community Managers (OCMs) for the URL, Restricted Line (RL) and Staff Corps were interviewed to gauge attitudes and determine the selection criteria used by the RL and Staff Corps in selecting URL officers applying for lateral transfer. In the third part of the thesis, regression analysis was performed utilizing application data for lateral transfer boards held between 1996 and 2006. The board data, which was provided by the Navy Personnel Command (NPC), was merged with officer cohort data from the Defense Manpower Data Center (DMDC) to determine retention differences between officers selected for transfer and those not selected.

A consistent theme of dissatisfying factors was found in the surveys. While several factors are inherent to Navy life, such as shipboard life and family separation, two factors, morale and leadership, offer the best opportunity for improvement. OCMs from the RL and Staff Corps designators, several of which do not have the ability to direct access new officers, reported depending on URL lateral transfers for new accessions. The OCMs also rely on lateral transfers for the specific skills, experience and knowledge the URL officers bring to the RL and Staff Corps. The results of the regression analysis indicate that officers not selected for lateral transfer and redesignation are twice as likely to leave the Navy as are officers who are selected.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	BACKGROUND	1
B.	PURPOSE.....	2
C.	RESEARCH QUESTIONS.....	3
D.	SCOPE AND METHODOLOGY	3
E.	ORGANIZATION OF THESIS	4
II.	LITERATURE REVIEW	5
A.	INTRODUCTION.....	5
B.	“THE LATERAL TRANSFER SYSTEM: HOW WELL DOES IT SERVE OFFICERS AND COMMUNITIES” (MOORE AND REESE, 1997)	5
C.	“STATISTICS FROM OFFICER MASTER FILES RELEVANT TO WIN [WOMEN IN THE NAVY] STATUS” (KOOPMAN, <i>ET AL.</i> , 2000)	7
D.	“ENABLING OFFICER ACCESSION CUTS WHILE LIMITING LATERALS” (MONROE AND CYMROT, 2004).....	10
E.	SUMMARY	12
III.	FACTORS MOTIVATING URL OFFICERS TO REQUEST TRANSFER AND REDESIGNATION.....	13
A.	INTRODUCTION.....	13
1.	Quality of Work Life and Overall Job Satisfaction.....	15
2.	Satisfaction with Shipboard Life	19
3.	Family Separation and Work/Personal Time Balance.....	21
4.	Morale	23
5.	Leadership	25
B.	AUTHOR’S 2007 FLEET SURVEY.....	27
C.	SUMMARY	29
IV.	OFFICER CATEGORIES AND SELECTION CRITERIA FOR RL DESIGNATORS AND STAFF CORPS.....	31
A.	INTRODUCTION.....	31
1.	Officer Categories	31
a.	URL.....	32
b.	RL	38
c.	Staff Corps.....	50
2.	Summary.....	52
B.	CRITERIA FOR SELECTION INTO THE RL AND STAFF CORPS...53	
1.	Selection Criteria	53
a.	RL	54
b.	Staff Corps.....	57
2.	Summary.....	58

V.	QUANTITATIVE ANALYSIS	61
A.	INTRODUCTION.....	61
B.	DATA DESCRIPTION	61
C.	VARIABLE DESCRIPTION.....	61
	1. Dependent Variable	61
	2. Independent Variables.....	62
	<i>a. Sex.....</i>	<i>62</i>
	<i>b. Race</i>	<i>62</i>
	<i>c. Marital Status</i>	<i>62</i>
	<i>d. Source of Commission</i>	<i>62</i>
	<i>e. Designator</i>	<i>63</i>
	<i>f. Selection Status</i>	<i>63</i>
D.	DESCRIPTIVE STATISTICS.....	65
E.	RESULTS OF MULTIVARIATE MODELS	68
F.	SUMMARY	72
VI.	CONCLUSIONS, RECOMMENDATIONS, AND AREAS FOR FURTHER RESEARCH	75
A.	CONCLUSION	75
B.	RECOMMENDATIONS.....	76
C.	AREAS FOR FURTHER RESEARCH.....	78
	LIST OF REFERENCES	79
	INITIAL DISTRIBUTION LIST	87

LIST OF FIGURES

Figure 1.	Percentage of officer transfer outs by officer category. (After: Koopman, <i>et al</i> , 2000)	9
Figure 2.	Percentage of URL officer transfers by sex. (After: Koopman, <i>et al</i> , 2000)....	9
Figure 3.	Destination communities by sex of SWO transfers.	10
Figure 4.	Percent of officers indicating agreement with the statement: “Considering everything, I am satisfied with my job” and percent of officers indicating agreement with statement: “In general I like the work I do in the Navy” on NPS Surveys from 1999 through 2005 (Source: Kantor and Olmstead, 1998; Whittam, et al., 2005; Rosenfeld and Wilcove, 2006).....	16
Figure 5.	Top family-related issues for leaving the Navy as reported by tour in the SWO Community Continuation Intentions Survey. (Source: Newell, Whittam and Uriell, 2004)	23
Figure 6.	Percent of Officers satisfied with command leadership as indicated in the NPS Survey series. (Source: Kantor and Olmsted, 1998; Olmsted, Kantor and Palmisano, 2001; Olmsted and Underhill, 2003; and Whittam, Janega, and Olmstead 2005)	26
Figure 7.	Officer Designator Overview indicating Current Inventory (INV) and Officer Program Authorizations (OPA). (Source: Author Interviews with OCMs, 2006).....	32
Figure 8.	Aviation (Pilot) Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)	34
Figure 9.	Aviation (NFO) Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)	34
Figure 10.	Surface Warfare Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)	36
Figure 11.	Submarine Warfare Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)	37
Figure 12.	AED Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	40
Figure 13.	AMD Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	41
Figure 14.	ED Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	42
Figure 15.	HR Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-	

	2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	44
Figure 16.	IP Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	45
Figure 17.	IW Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	46
Figure 18.	INTEL Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	47
Figure 19.	Oceanography Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	49
Figure 20.	PAO Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	50
Figure 21.	CEC Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	51
Figure 22.	Supply Corps Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006).....	52

LIST OF TABLES

Table 1.	Variable Names and Coding	64
Table 2.	Variable Means (N=6092)	65
Table 3.	Numeric and Statistical Values of the Selected and Not Selected Populations.....	66
Table 4.	Retention Behaviors for Officers Selected and Not Selected for Transfer or Redesignation.....	67
Table 5.	Retention Model for Applicants who Applied for Lateral Transfer or Redesignation.....	69
Table 6.	Separate Retention Models for Officers Selected and Not Selected for Lateral Transfer or Redesignation.	71

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I. INTRODUCTION

A. BACKGROUND

The lateral transfer and redesignation process provides an opportunity for officers to apply for transfer or redesignation between and within the officer categories. A lateral transfer is a change of designator between categories, *e.g.*, restricted line (RL) and the unrestricted line (URL) to Staff, or within the Staff Corps. Redesignation is any change of designator in the line of the Navy to a different line competitive category, *e.g.*, URL to RL or in the same competitive category, to a different category, *e.g.*, Surface Warfare Officer (SWO) to pilot (Chief of Naval Operations Instruction, OPNAVINST 1210.5, 2005).

The designators within the URL category are Surface Warfare, Submarine Warfare, Aviation, Special Operations and Special Warfare. Within the RL category are Engineering Duty Officer (EDO), Human Resources (HR), Information Professional (IP), Information Warfare (IW), Intelligence (INTEL), Oceanography (OCEANO), Public Affairs (PAO), Aerospace Engineering Duty Officer (AEDO), Aviation Maintenance Duty Officer (AMDO), and Foreign Affairs Officer (FAO). The Staff Corps category includes designators from the Chaplain Corps, Civil Engineer Corps, Judge Advocate General (JAG) Corps, Medical Corps, Dental Corps, Medical Service Corps, Nurse Corps and Supply Corps (Navy Officer Manpower and Personnel Classifications, NAVPERS 15839I, 2006).

The lateral transfer and redesignation process was originally established in accordance with United States Code, Title 34, Chapter 14, Section 5582, dated July 22, 1935. Title 34, which addresses only Navy provisions, consolidated within Title 10, which addresses the Armed Forces. Title 10, Section 5582: Regular Navy: transfers, line and Staff Corps, paragraph (a) states “a regular officer of the Navy in a Staff Corps in a grade not above lieutenant commander may be appointed in the line of the Navy to the same grade.” Paragraph (b) states “a regular officer in the line of the Navy in a grade not above lieutenant commander may be appointed to the same grade in a Staff Corps under regulations prescribed by the Secretary of Defense.” (10 USC 5582).

Secretary of the Navy Instruction (SECNAVINST) 1210.5A, dated 24 July 1985, prescribes the regulation that governs the process and indicates that the process shall be used “for the career development of individual officers” and “to maintain promotion opportunity guidelines within each competitive category.” It further states, “all transfers and redesignations of officers under this instruction shall be made following the approved reports of the Transfer/Redesignation Board.”

OPNAVINST 1210.5, dated 24 December 2005, superseded the above reference and provided specific detailed guidance on governance of the program. The instruction is broken down into three areas. The first area provides guidance for the applicant concerning eligibility requirements and items necessary for application packages. The second area pertains to the Lateral Transfer and Redesignation Board. Included are the guidelines for board composition and operation. The final area describes waivable eligibility requirements.

The lateral transfer and redesignation process has proved to be a valuable tool in meeting URL officer designator stock flows, and in staffing RL and Staff Corps categories not fully staffed through direct accession. According to a recent study completed by the Center of Naval Analysis, an average of 365 officers transfer out of URL designators each year; of these, over 60 percent are warfare qualified. While this number represents a small percentage of the total number of URL officers, the average number of officers who transfer has not decreased in proportion to the recent reduction in forces. The program has therefore generated concern over the Navy’s ability to continue to downsize by reducing URL accessions while fulfilling RL and Staff Corps transfer requirements (Monroe and Cymrot, 2004).

B. PURPOSE

The purpose of this study is to analyze the lateral transfer and redesignation process and its impact on the URL officer designators. The analysis will be accomplished by reviewing the factors that motivate officers to apply for transfer and the retention effects of those officers who apply but are not selected for transfer or redesignation. The initial hypothesis of this study is that the lateral transfer and redesignation process has a negative impact on the URL due to the loss of quality officers

to the RL and Staff Corps, and the loss of URL officers who apply but are not selected, and subsequently leave the Navy. Additional research will review the selection criteria by RL and Staff Corps designators and examine their requirement that designators be filled with URL officers.

C. RESEARCH QUESTIONS

The RL and two Staff Corps designators gain a limited number of new officers each year through direct accession from the United States Naval Academy (USNA), Navy Reserve Officer Training Corps (NROTC), from Officer Candidate School (OCS), and other enlisted commissioning programs. The RL and Staff Corps rely on the URL to make up shortages in their staffing through lateral transfers and redesignations.

This study examines the outcomes these transfers and redesignations have on URL designators by addressing the following questions:

- What motivates URL officers to request lateral transfer or redesignation to RL and Staff Corps?
- What selection criteria do the RL and Staff Corps consider for transfer?
- What are the retention effects for those who apply for transfer and redesignation?

D. SCOPE AND METHODOLOGY

This study will examine the lateral transfer and redesignation process using the three research questions. It will begin with an assessment of the factors that motivate URL officers to request transfer through analysis of previous Navy-administered surveys and the results of a survey administered to a portion of the fleet by this author. A review of the URL, RL, and Staff Corps categories will be completed next which will include their description, current strengths and methods of accessions. There will also be a discussion of the selection criteria for applicants to the RL and Staff Corps, obtained from interviews with the Officer Community Managers (OCMs) at the Navy Personnel Center (NPC) in Millington, TN. Lastly, the study will examine the effect on retention for those officers selected and not selected.

The methodology used for this research will be a combination of both quantitative and qualitative data collection and analysis, and will employ the following methods for data collection:

- Administration of a survey to the fleet by the author
- Conduct interviews with URL Community Managers to examine why officers request transfer from these designators
- Conduct interviews with RL and Staff Corps Community Managers to obtain selection criteria
- Obtain data pertaining to applications submitted to the Transfer/Redesignation Board
- Analyze historical RL and Staff Corps accession data
- Perform a statistical analysis of officer application and cohort data to analyze retention behaviors of those officers who apply for lateral transfer

E. ORGANIZATION OF THESIS

This thesis contains six chapters. Chapter I is an introduction and overview of the background for the lateral transfer and redesignation process. Chapter II contains a literature review of previous studies on the performance of the lateral transfer and redesignation process. Chapter III addresses the factors that motivate officers to request transfer. Chapter IV provides a description of the URL, RL and Staff Corps categories and discusses the RL and Staff Corps requirements for transfer. Chapter V presents the quantitative analysis of applicant data for the last ten years to determine retention effects for those not selected for lateral transfer or redesignation. Chapter VI concludes the study and provides recommendations for further research on this topic.

II. LITERATURE REVIEW

A. INTRODUCTION

Over the last decade, the Center for Naval Research (CNA) has performed three separate studies pertaining to the lateral transfer and redesignation process. The first of these studies, completed in 1997, addressed the transfer of training attrites from the URL and whether future inventories of transferees would be sufficient to meet RL and Staff Corps requirements. The second study, performed in 2000, measured career opportunities, promotion, and retention of female naval officers. The study addressed current inventories, accessions, and training, and evaluated the number of female SWOs and pilots who lateral transfer out of their original designators. The final study, completed in 2004, analyzed the impact on the RL and Staff Corps that would result from limiting URL accessions.

B. “THE LATERAL TRANSFER SYSTEM: HOW WELL DOES IT SERVE OFFICERS AND COMMUNITIES” (MOORE AND REESE, 1997)

This study, written by Carol S. Moore and David L. Reese, analyzed the relationship between the lateral transfer and redesignation process and officer career policies regarding retention, job satisfaction, and the officer management system. The questions addressed by the study were: 1) are training attrites a quality source of accessions for URL designators; and, 2) can the current level of lateral transfers meet RL designators and Staff Corps requirements in the future. To answer these questions the authors tracked officer movements between the RL and URL designators and Staff Corps for officer year groups (YG) 1975 through 1995, using data in the CNA Officer Longitudinal File database.

In general, officer accession refers to the means by which individuals receive commissions into the officer designators of the armed forces. There are several means of receiving a commission, but the most common are through the individual service academies, the Reserve Officer Training Corps (ROTC), and individual service Officer Candidate Schools (OCS). The majority of officers who receive their commission from these sources directly access into the URL. The RL directly access a limited number of

officers, but officers accessed into the RL come predominantly from OCS, due to the URL-only rule imposed on USNA and NROTC graduates (Moore and Reese, 1997).

A lateral transfer or redesignation occurs when an officer moves from one category or designator to another. A lateral transfer results from a request by a URL or RL officer wishing to transfer to a Staff Corps. A redesignation occurs between the URL and RL, and is attained in two ways. The first is due to training attrition (usually from an URL designator), meaning an officer fails to qualify in his/her original designator and changes to another URL or RL designator. The second involves application and selection for redesignation from an URL or RL designator to another URL or RL designator, driven by professional interests or greater promotion opportunities.

The majority of RL accessions occur through the lateral transfer and redesignation process. Within the Staff Corps, only the Supply Corps and Civil Engineering Corps accept lateral transfers, while all other Staff Corps designators rely on direct commissions, (*i.e.*, medical, dental, judge advocate, nurses). According to Moore and Reese, the lateral transfer and redesignation process is used primarily by URL officers, and represents a loss of approximately six percent of their total strength each fiscal year.

The study indicates that approximately 25 percent of URL officers do not complete training in their original designator. Forty-two percent of these training attrites leave the Navy while the remaining 58 percent are given the opportunity to redesignate. The majority of training attrites have historically come from the Aviation designator and have been redesignated into SWO designator. URL Community Managers are generally given the “first look” at new training attrites. Those remaining after “first look” selections are then given a “second look” by the RL Cryptology and Intelligence designators, being the only two RL designators that accept training attrites (Moore and Reese, 1997).

Only 56 percent of training attrites who are, by default, redesignated as SWO achieve warfare qualification, compared to a rate of 72 percent for regular accessions. The study proposed that these differences in qualification rate might be due to officer quality and designator mismatches caused by the default redesignation. In determining the cost of retaining SWOs to the Department Head (DH) level (at approximately seven

years of service), the study indicates that for each regular accession, the Navy must train 2.85 officers, at a marginal cost of \$145,615. Due to lower qualification rates among training attrites, the Navy must train 3.13 officers, at an increased cost of approximately ten percent (Moore and Reese, 1997).

In meeting RL and Staff Corps requirements in the future, Moore and Reese examined factors that limited the efficiency of the lateral transfer and redesignation process. These factors included: the establishment of the Fleet Support designator in 1995, which was staffed entirely by lateral transfers; the downsizing of URL junior officers, resulting in a more senior force that is mismatched with RL and Staff Corps experience requirements; and URL caps on the number of officers available for transfer.

In response to the question of whether training attrites are a quality means of accession, the study found that, in general, the redesignated training attrites did not have lower retention rates, nor were their careers negatively affected by redesignation. Specifically, though, they found that training attrites that redesignate to the SWO designator are less likely to achieve warfare qualification, retain to DH level, or promote to LCDR, as compared to SWO accessions who do not enter via lateral transfer.

Additionally, in answer to the question of whether there would be sufficient laterals available to meet future requirements, the study found that future inventories of lateral transfer-eligible officers were sufficient to fill RL and Staff Corps requirements. The study concluded that the redesignation of officers contributes to the effective use of personnel and, as the study states, “the issue is instead one of *matching* officers to communities in alignment with the characteristics desired...” (Moore and Reese, 1997).

C. “STATISTICS FROM OFFICER MASTER FILES RELEVANT TO WIN [WOMEN IN THE NAVY] STATUS” (KOOPMAN, *ET AL.*, 2000)

The lifting of the combat exclusion in 1994, which previously barred women from assignment to combatant ships, greatly expanded the role of women in the URL. This, coupled with the transfer of the Fleet Support designator from the RL back to the URL in 1999, prompted a study by CNA regarding the career progression of women in the Navy.

The study provided a statistical overview of loss and transfer, qualification, and promotion rates, in addition to assignments and performance evaluations (Koopman, *et al.*, 2000).

The authors used CNA Longitudinal Officer Master File data for cohorts 1994 through 1999. For this study, the most significant portion depicted the current levels of women in URL designators, the ratio of women to men who transfer out of URL, and their career progression, as measured by retention and promotion.

The study identified significant changes in the female officer population. While the number of officer accessions remained approximately the same at 2,500 per year, the share of females accessed increased from 9.8 percent to 13.9 percent. Of particular significance are the percentage increases in the share of women in the URL. For example, the share of women grew from just 10.7 percent of SWO accessions in 1994 to 23.5 percent five years later. The growth of women as Naval Flight Officers (NFO) was even more dramatic, from 3.9 percent to 13.8 percent. There was also a slight (one percent) increase in the number of female pilots (Koopman, *et al.*, 2000).

The research indicated that URL officers transfer out of their original designator at a higher rate than the RL and Staff Corps (Figure 1). The study also indicated that the transfer rate for female URL officers is nearly twice the rate of male URL officers, which is significant as females represent only ten percent of the total URL population (Figure 1). Figure 2 depicts the percentage of URL officer transfers within the URL designators, although the study does not indicate whether these are qualified or unqualified officers (Koopman, *et al.*, 2000).

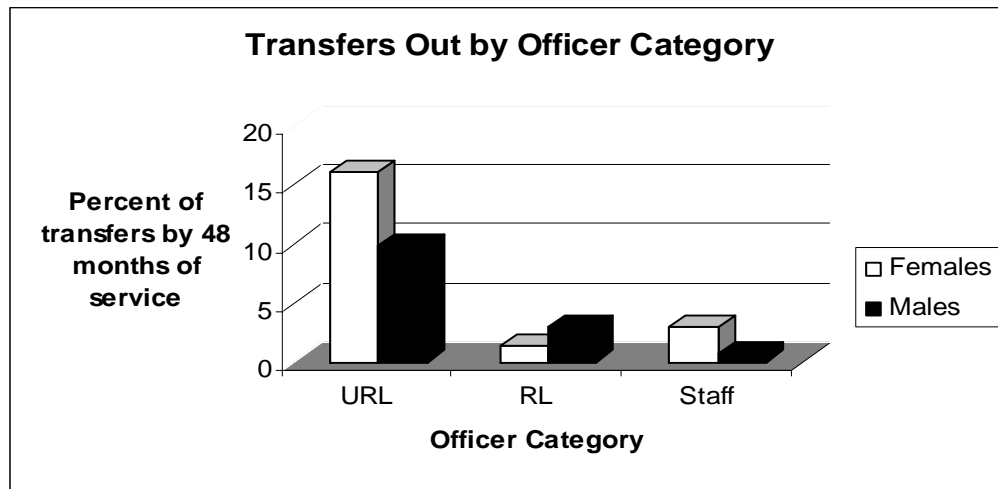


Figure 1. Percentage of officer transfer outs by officer category. (After: Koopman, *et al*, 2000)

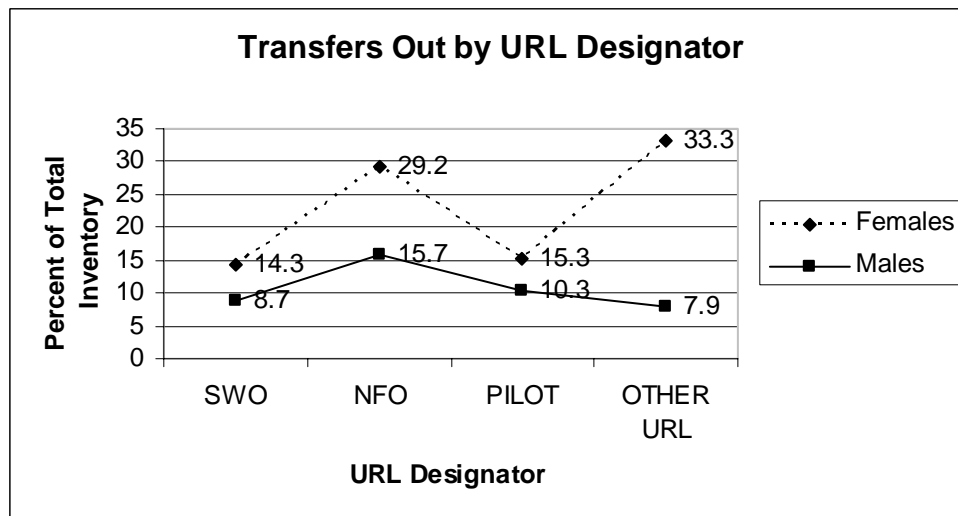


Figure 2. Percentage of URL officer transfers by sex. (After: Koopman, *et al*, 2000)

A final note of interest is found in the designators to which SWOs transferred. As indicated by Figure 3, the greatest number of female transfers was to the Fleet Support designator (44 percent) while over 38 percent of the males transferred to other URL designators. The other URL designators to which males transferred were Special Warfare, Special Operations, and Submarine Warfare, all of which then, as now, exclude female assignment.

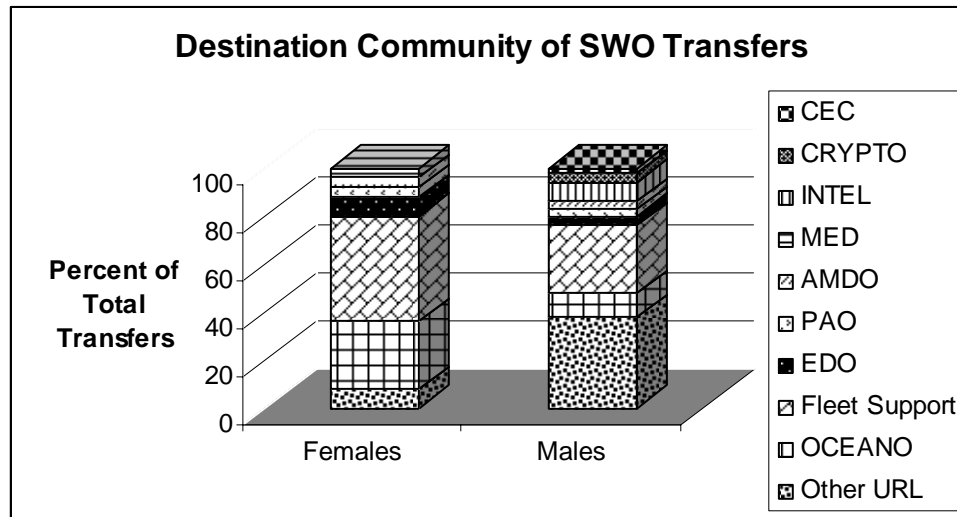


Figure 3. Destination communities by sex of SWO transfers.
(From: Koopman, *et al*, 2000)

The study concluded that early losses, through leaving the Navy at the end of initial Minimum Service Requirement (MSR) and transferring to other designators, were higher for recent female accessions into the URL, and that this raises concerns regarding the ability to retain more senior females in the future. These concerns have taken on an even greater significance since the number of URL females has increased since the completion of this study in 2000 (Koopman, *et. al.*, 2000).

D. “ENABLING OFFICER ACCESSION CUTS WHILE LIMITING LATERALS” (MONROE AND CYMROT, 2004)

The final study was written by Albert Monroe and Donald J. Cymrot who contend that limiting lateral transfer accessions into the RL and Staff Corps would enable the Navy to greatly reduce URL (particularly SWO) accessions. The study developed several accession scenarios and determined that by reducing the current level of SWO direct accessions from 780 to 620, in keeping with the Officer Program Authorization

(OPA), the Navy would realize a net annual savings of over \$91 million (Monroe and Cymrot, 2004).

The URL, RL, and the Staff Corps would feel the impact of the reductions proposed by Monroe and Cymrot. While the net savings are substantial, some costs were not quantified. In curtailing lateral transfers and redesignations into the RL and Staff Corps, these designators lose the ability to access warfare qualified officers and officers in the control grades of O-4. Although the study states “we assume that warfare qualification is advantageous to RL and Staff Corps officers in performing their current tasks,” it also finds that “the value of the loss of warfare qualification plus the small loss in seniority would have to exceed . . . [\$203,000] for the status quo to prevail in a cost-effectiveness calculation.” (Monroe and Cymrot, 2004).

Reduced SWO accessions would entail a drastic reduction in the number of SWOs allowed to transfer to other designators. This, in turn, would increase the number of officers leaving the Navy after their MSR. In order to retain a sufficient number of officers to meet the at-sea DH requirement of 275, which generally comes at year of service (YOS) 9, the Navy would have to increase the Surface Warfare Officer Continuation Pay (SWOCP) bonus significantly from its current rate of \$50,000 to a minimum of \$90,000 (Monroe and Cymrot, 2004).

Monroe and Cymrot noted there was an increase in the number of female SWOs projected to access in the coming years. While the retention rate of men is approximately 35 percent, per year group, females historically retained at only 16.7 percent. As the number of female SWOs increase, the retention rate is expected to drop proportionally. In order to meet future DH requirements, the bonus would have to be increased again. The authors estimate that the SWO bonus would need to increase by \$7,500 for each percent increase in retention rate that is needed (Monroe and Cymrot, 2004).

A final note from the study addresses the retention needs at the control grades of the RL designators and Staff Corps. Several of the RL designators access only warfare qualified lateral transfers in the grade of O-3 and above. Reducing laterals would require promotion from within. This policy would cause a loss of productivity due to the need to

gap billets, promote some earlier than deserved, and the need to be less selective in promotions (Monroe and Cymrot, 2004).

E. SUMMARY

The three studies cited above each discuss very different aspects of the lateral transfer and redesignation process and indicate the changes in focus over the last decade. Today, consideration of each of these areas, whether it be the number of training attrites, the increasing number and expanded role of female officers, or future manpower reductions through limiting accessions, must be included in any discussion of the lateral transfer and redesignation process and its use in shaping the future officer force.

III. FACTORS MOTIVATING URL OFFICERS TO REQUEST TRANSFER AND REDESIGNATION

A. INTRODUCTION

The factors that motivate URL Officers to request transfer or redesignation to other designators correlate directly with the factors that motivate service members to leave the military. Retention of service members is always of great concern to the military. The Navy must ensure military readiness by developing a well-trained and experienced workforce while at the same time meeting the challenges presented in the Navy Human Capital Strategy that calls for a smaller, more efficient future force (Whittam, Janega, and Olmstead, 2005).

The Navy has studied factors affecting retention extensively using data from Navy-wide Personnel Surveys (NPS), Quality of Life (QOL) surveys, Surface Warfare Officer Junior Officer (SWO JO) surveys, and Chief of Naval Personnel (CNP) Quick Polls of SWO Continuation Intentions and of the Naval Aviation Enterprise (NAE). Each of these surveys include factors found to impact whether a service member will remain on active duty. While retention decisions have changed over time, the surveys reveal that several factors significantly impact retention. These factors include job satisfaction, shipboard life, work/personal time balance and family separation, morale, and leadership.

The overall quality of work life has been assessed with the NPS which, beginning in 1990, was administered yearly until 1998, when it became bi-annual. The Navy Survey Resource Center (NSRC) at the Navy Personnel Research and Development Center (NPRDC) in San Diego, California initially administered the NPS. In 1998, the responsibility for the NPS was given to the Navy Personnel Research, Studies, and Technology Department (NPRST) in Millington, Tennessee. The NPS assesses satisfaction with Navy life, work climate, morale, training/education needs, leadership, detailing, assignments, job satisfaction, career development, availability of resources, and gender integration (Whittman, et al., 2005).

Just as the Navy determined that many factors influence the quality of work life, several factors affect an individual's perception of their overall quality of life. The

importance of these quality of life perceptions in making career decisions, caused the Chief of Naval Personnel (CNP), at the recommendation of the Naval Inspector General (IG), to commission and establish the Navy Quality of Life (QOL) survey in 1998. In a statement made by Chief of Naval Operations Admiral Vernon Clark during his inauguration, assessment of quality of life factors have been given even greater significance in today's Navy:

In the Fleet they're talking about quality of service. Quality of service is a combination of quality of life and quality of work. Here's my promise: ... I intend to lead a Navy that holds quality of service for Sailors, for their quality of life and their quality of work, as a top priority in mission and combat readiness. (CNO, ADM Clark, 2000).

The QOL surveys are intended to assess quality of life in the Navy in various areas, termed "life domains." These domains include military job, shipboard life, standard of living/income, marriage/intimate relationships, health, personal development and housing/neighborhood. First administered in 1999, a subsequent survey was completed in 2002 and a third was completed in May 2006. A primary difference between the iterations of the surveys is found in their classification and assessment of individuals who identify themselves as either "stayers" or "leavers" in response to the question of intention at next decision point. The 1999 administration assessment used these identifiers to gauge differences in perception between those intending to remain on active duty and those intending to leave. Later assessments did not make this distinction (Wilcove and Schwerin, 2002; Rosenfeld and Wilcove, 2006).

The SWO JO survey is executed under the direction of the Strategy and Alignment Branch of the Surface Warfare Directorate and is used to monitor, track and quantify junior officers' perceptions and attitudes towards life and opportunities as a Surface Warfare Officer. The SWO JO survey was administered in 1999, 2001, and 2003, and has proved to be a valuable tool in assessing Surface Warfare Officers' views regarding their naval careers.

As a follow-up measure to the SWO JO surveys, and as a means to gauge reaction to several new programs proposed to assist in retention of SWOs, CNP tasked NPRST to conduct a Quick Poll concerning SWO Continuation Intentions, in 2004. One of the

primary areas addressed in the Quick Poll were the rates at which various aspects of surface warfare influenced officers' intention to leave the Navy (Newell, Whittman and Uriell, 2004).

While the SWO JO surveys and the SWO Continuation Intentions Poll assessed surface warfare, an assessment of aviation warfare was performed with the NPRST administration of the NAE. The Quick Poll was conducted in March 2006 with the intention of gauging the overall climate and career progression of those assigned to aviation warfare, assessing attitudes toward the balance between work and family life, and determining factors influencing retention intentions (Newell, Whittman and Uriell, 2006).

In addition to the assessment methods mentioned, the author administered a survey to a random sample of ships and aviation squadrons in January 2007. The purpose of the survey was to assess current attitudes concerning the factors identified as affecting retention among URL officers. Details concerning the administration of the survey and the survey results will be discussed in Section B.

Each of these assessment tools, addressing both general officer populations and designator-specific officer populations, has provided valuable insight on officer attitudes and perceptions and identified those areas which are most dissatisfying and have the greatest potential impact on retention intentions. The sections below discuss the results of these numerous retention-related surveys.

1. Quality of Work Life and Overall Job Satisfaction

As Admiral Vernon Clark stated, the Navy quality of service is influenced by both the quality of life and the quality of work of its members. The term "quality of work life" describes those aspects of the work environment that affect not only job satisfaction but quality of life as well. Maintaining a high level of satisfaction with both quality of life and quality of work life is believed to be a major factor in the development of a productive and committed work force. The commitment and retention of the work force is of premiere importance to the Navy, which is correlated to well-trained and experienced personnel in order to support a high level of military personnel readiness (Olmstead and Underhill, 2003).

The results from the NPS survey series for the years between 1990 and 2005 indicate that while officers consistently report that they like the work they do in the Navy, their assessment of overall job satisfaction has been significantly lower (between 8 and 13 points lower), as shown in Figure 4. The aspects of the work environment believed to contribute to this difference will be reviewed below and in subsequent sections.

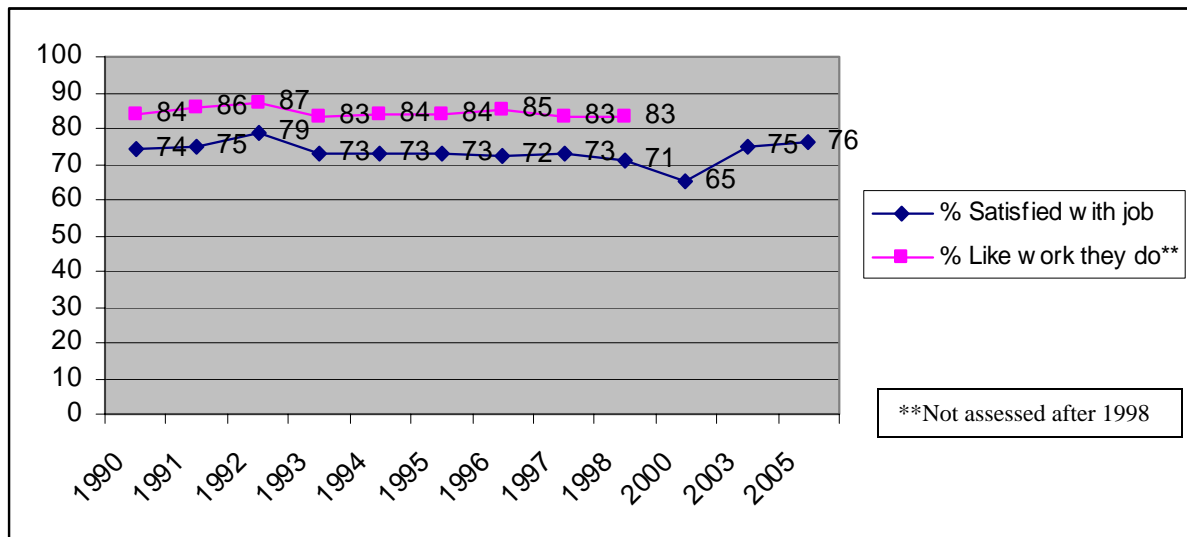


Figure 4. Percent of officers indicating agreement with the statement: “Considering everything, I am satisfied with my job” and percent of officers indicating agreement with statement: “In general I like the work I do in the Navy” on NPS Surveys from 1999 through 2005 (Source: Kantor and Olmstead, 1998; Whittam, et al., 2005; Rosenfeld and Wilcove, 2006)

According to the authors of the NPS 2000 Survey report, job satisfaction has historically been looked to as a benchmark factor in predicting both the satisfaction of the workforce and the likelihood of members to leave active duty service. An individual’s level of job satisfaction may be affected by many factors in and out of the work environment. Factors in the work environment consistently reported to have a negative impact on job satisfaction include long hours while at sea and in port to get the job done, and excessively heavy workloads in port, particularly during pre-deployment periods.

The NPS survey series asked respondents to indicate the number of hours worked in a typical workweek. Responses to both the 2000 and 2003 NPS surveys showed that 65 percent and 63 percent, respectively, reported working in excess of 50 hours in a typical week, with this rate even higher for those on sea duty. Respondents to the SWO

JO series of surveys also consistently rated their level of satisfaction with the hours of work required while on sea duty negatively, with a negative response rate of 56 percent in the 1999 SWO JO survey, and 52 percent in both the 2001 and 2003 surveys.

The SWO Continuation Intentions Quick Poll showed a high negative response with 69 percent of the women indicating that the number of hours required to get the job done, both at sea and in port, significantly influenced their decision to leave the Navy. Similarly, male showed a negative response with 63 percent of the men indicating the number of hours required in port and 54 percent rating the number of hours at sea, as top influencers in their decision to leave. These responses are more varied when assessed by stage of career for Surface Warfare Officers. Sixty-four percent of officers in their Division Officer (DIVO) pre-Department Head (DH) tours indicated that the hours worked at sea were a top separation influencer while those in DH, and post-DH tours indicated much lower responses of 43 percent and 37 percent, respectively (Newell, Whittam and Uriell, 2004).

Heavy workloads in port and during pre-deployment periods were also rated as top influencers in officer's decisions to leave the Navy. Responses to the SWO JO surveys indicated ratings of 67 percent in 1999, 76 percent in 2001, and, 61.9 percent in 2003, concerning the influence of workload in port and 82 percent, 78 percent, and 64.6 percent, respectively, in response to the influence of the workload in pre-deployment periods. According to the NPS surveys for 2000 and 2003, top reasons cited for working more hours than usual were high workload (55 percent, 21 percent), mission critical requirements (47 percent, 12 percent), and mission preparation, training, and maintenance (40 percent), in 2000, and "tasked with additional duties" (11 percent) in 2003 (Olmstead and Underhill, 2003; Whittam, Janega and Olmstead, 2005).

Although perhaps specific to the Surface designator, the idea of the "zero defect mentality" has also proved to be a top influencer in officers' decisions to leave the military. Zero defect mentality is described as a work environment in which "honest mistakes" are punished as much as wrongdoing. Forty-eight percent of respondents in the 2003 SWO JO Survey who indicated that they were leaving the Navy reported being

influenced by the zero-defect mentality and on the 1999 and 2001 SWO JO surveys, it was listed as one of the top five dissatisfiers (DTI Associates Incorporated, 2004).

Another factor outside the actual work environment, which has a significant impact on job satisfaction, is the belief that there are better opportunities available in the civilian workforce. These opportunities include the belief that workload will be more reasonable and compensation will be greater. Seventy-nine percent of officers indicating that they intend to leave active duty on the 1999 SWO JO Survey reported being influenced by the idea of a more reasonable workload in the civilian workforce. This degree of influence remained relatively high in both the 2001 and 2003 surveys, with response rates of 77 percent and 56.4 percent, respectively. Job satisfaction is also influenced by the idea of better compensation in another job. In the SWO JO Surveys, when asked to what degree their belief that they would be better compensated in the civilian workforce influenced their decision to leave the Navy, 80 percent indicated it was an influencing factor. Similarly in the 2001 survey, 77 percent indicated being influenced by better compensation although this response rate dropped significantly to 47.5 percent in the 2003 survey. In the 2004 SWO Continuation Intentions Quick Poll, 42 percent of the women and 37 percent of the men reported being influenced by civilian career opportunities. Results similar to those found for the level of influence of hours worked indicate that those officers in their pre-DH tour indicated the highest level of influence (41 percent) while only 33 percent of DH and 25 percent of post-DH reported civilian opportunities as influencing their decision.

Negative indications of job satisfaction were also reported in the 2006 QOL survey. The survey compared responses to several questions addressing concerns for the future with responses to similar questions reported on the 2005 NPS survey. Results on both surveys were similar regarding feeling positive about their Navy career (62 percent in 2005 and 57 percent in 2006), and believing that Navy personnel policies are fair, (65 percent in 2005 and 61 percent in 2006). Despite these relatively positive responses, only 24 percent of officers in both surveys indicated that they trust the Navy to look out for their best interest. The authors of the survey report increased concerns regarding quality of work life issues and assignment to Individual Augmentation (IA) as possible causes of the negative response rates. Their belief is reinforced with the comments made by sailors

in the portion of the survey, which allowed for write-in comments. Comments made included statement such as “the IA process is broken,” augmentees are sent to Iraq and Afghanistan without adequate training, that sailors join the Navy to serve on a ship, not on IAs, and that the IA program is going to significantly alter retention (Rosenfeld and Wilcove, 2006).

2. Satisfaction with Shipboard Life

Working conditions for members of the Navy are distinctly different from conditions encountered in civilian occupations and in the other branches of the military. While a good amount of work in the Navy is conducted in an office behind a desk, that office, more often than not, is located onboard a ship deployed in any number of places around the world. As such, the Navy is in the unique position of having to not only ensure that members are satisfied with their military jobs but are also satisfied with the living conditions which go along with their job. This takes on even greater significance with the realization that satisfaction with shipboard life has repeatedly been found to have the strongest correlation with satisfaction with overall life in the military (Wilcove, 2004, 2005; Rosenfeld and Wilcove, 2006).

This topic has been widely assessed in the QOL series of surveys. The QOL surveys address satisfaction with living facilities such as showers and heads, berthing and personal privacy, etc., and ship’s services such as internet access and fitness and library facilities. The QOL survey completed in 1999 assessed responses in relation to whether respondents indicated they intended to remain on active duty (stayers), or leave active duty (leavers). The intention was to determine “if Sailors intending to remain in the Navy at their next decision point reported more favorable perceptions of QOL than Sailors who intended to leave, and if so, which areas or “life domains” were most frequently cited” (Wilcove and Schwerin, 2002).

The shipboard life domain was rated most negatively by a wide margin, with a mean score of only 3.8 on a 7-point scale of the 12 life domains. Thirty-four percent of the officers surveyed indicated satisfaction with this domain. Ratings determined according to whether respondents were stayers or leavers showed that 49 percent of the stayers but only 18 percent of the leavers were dissatisfied. The rate of overall satisfaction increased to 60 percent in the QOL survey completed in 2002 but still 46

percent of officer leavers, termed non-careerists in 2002, indicated dissatisfaction with overall shipboard life and 51 percent indicated that shipboard life decreased their desire to remain in the Navy (Wilcove, 2004).

The 2002 QOL survey also assessed perceptions and attitudes of overall satisfaction with shipboard life by pay-grade and ship platforms. Thirty-eight percent of officers in paygrades O-1 through O-3 reported dissatisfaction while only 16 percent of officers in paygrades O-4 through O-6 reported being dissatisfied. Assessment of satisfaction by platform showed a consistent level of dissatisfaction across all platforms although amphibious ships (60 percent) and aircraft carriers (58 percent) were reported to have the highest levels of dissatisfaction.

The aspects of shipboard life determined to be the top dissatisfiers in the 1999 QOL survey were: showers and heads (58 percent), services on the ship (49 percent), berthing (55 percent), need for uncrowded conditions (48 percent), and, privacy (47 percent). Not surprisingly, the majority of these aspects were also top dissatisfiers for officers indicating they intended to remain on active duty: showers and heads (49 percent); privacy (38 percent); library multimedia resource center (37 percent); berthing (35 percent); and need for uncrowded conditions (34 percent). Showers and heads remained the top dissatisfier in the 2002 QOL (43 percent) but was joined by noise (42 percent), mattresses (41 percent), room in working area and internet access (37 percent each) (Wilcove, 2005).

As the authors of the 2002 analysis point out, the shipboard life domain was identified as having a significant correlation to respondents indications concerning their level of satisfaction with military life, indicating that the more satisfied (or dissatisfied) Sailors were with shipboard life, the more satisfied (or dissatisfied) they were with overall military life. The implications of satisfaction with shipboard life is even more pronounced given the fact that shipboard life decreased their desire to remain in the Navy for 46 percent of the officer non-careerists, and 47 percent of officers in their initial obligation.

Although the results of the 2006 QOL survey indicate an increased level of officer satisfaction with shipboard life (66 percent), top dissatisfiers, similar to the 2002 QOL

survey, remain noise levels (51 percent), the ability to access the internet (42 percent), and privacy (32 percent). The authors of the survey brief also indicated a correlation similar to the one found in the 2002 survey between satisfaction with shipboard life and retention (Rosenfeld and Wilcove, 2006).

3. Family Separation and Work/Personal Time Balance

The impact of a Navy career on the amount of time separated from family and the ability to balance personal time with time required for work have been found to significantly influence job satisfaction and the desire to leave military service. In fact, aspects of family separation and work and personal time balance have been reported as top reasons to leave the Navy and as top dissatisfiers with Navy life.

In the Olmsted, et al. (2001) qualitative analysis of the 1998 NPS, family separation was reported to be a significant and key QOL issue for a large number of the respondents. They also indicated their belief that frequent deployments and temporary assignments away from their duty stations were “primary causes of divorce, family problems, workplace morale difficulties, and sailors leaving the Navy.”

In the quantitative analysis of the 2000 NPS, 54 percent of officers in paygrades O1 through O3 and 38 percent of O4 and above reported dissatisfaction with the amount of time they were separated from their families. Additionally, 33 percent indicated they were having difficulty with juggling demands of their family or personal life with the demands of their Navy career and 47 percent reported their career got in the way of having a personal life. These assessments are further supported by the level of satisfaction reported for OPTEMPO (29 percent) and PERSTEMPO (22 percent) and a rating of only 18 percent satisfied with regard to family separation with regard to workplace climate.

Responses in the 2003 NPS were very similar to those reported in 2000. Seventy percent of officers O1 through O3 and 57 percent of officers O4 and above agree that the Navy requires a significant amount of separation from family “or other important people.” Twenty-nine percent reported difficulty in “juggling the demand of their family or personal life with their Navy career” and 43 percent indicated their career gets in the way of having a personal life.

The SWO JO surveys ask officers to indicate their degree of satisfaction with their ability to plan and schedule family and or personal activities. Responses indicate this as a top dissatisfier for each of the three surveys with 66 percent indicating dissatisfaction in 1999, 60 percent indicating dissatisfaction in 2000 and 62.9 percent indicating dissatisfaction in the survey conducted in 2003. The 2003 SWO JO survey also asked officers to rate their level of influence in deciding to leave the military based on strain on their family and family separation. This was rated as one of the top five influences to leave the Navy, with 57 percent reporting it influenced their decision to leave. Additionally, 54.1 percent indicated being influenced to leave by their ability to have children or start a family or grow a family (depending on current family situation). This response was similar to that found in the NAE Poll. Seventy two percent of respondents agreed that their career makes it difficult to plan to have a family and 71 percent of the women indicated they believe they have to choose their career over having children to be successful (Newell, Whittam and Uriell, 2006).

Several areas accessed by both the SWO Continuation Intentions Poll of Surface Warfare and the NAE Quick Poll of Aviation Warfare yielded similar results. The SWO Continuation Intentions Poll showed 86 percent of the women and 75 percent of the men reported that work/personal time balance and overall time spent away from family were top influences in deciding to leave the Navy. Additional influences were impact of being in the Navy on the family (69 percent of women and 64 percent of men) and the impact of unexpected deployments on the family (58 percent of women and 54 percent of men).

While women reported a higher levels than men regarding the influence of family issues on their decision to leave the Navy, individuals in their pre-DH tours also indicated higher levels of influence of family issues than those in either their DH or post-DH tours, as indicated in Figure 5.

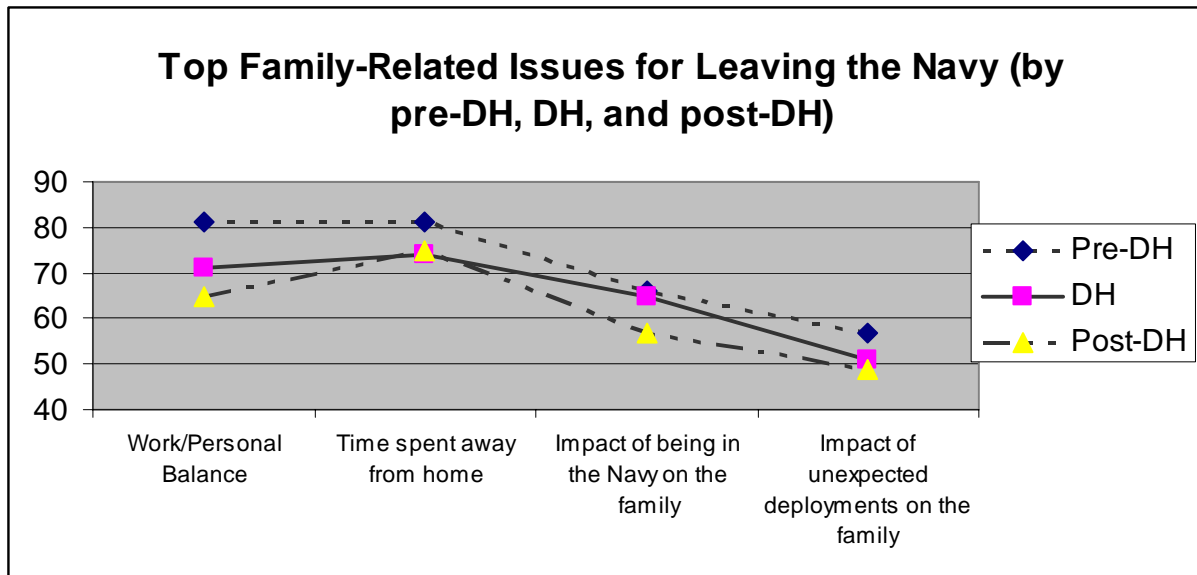


Figure 5. Top family-related issues for leaving the Navy as reported by tour in the SWO Community Continuation Intentions Survey. (Source: Newell, Whittam and Uriell, 2004)

The top reasons for leaving as shown in the NAE Poll were time away from spouse, family concerns, and OPTEMPO. Both men and women reported similar levels of concern with work and family balance and 73 percent of the women and 76 percent of the men believed that their career caused significant time away from their family. There were also a significant number of respondents (33 percent) who reported having difficulty in juggling the demands of their personal life with their Navy career.

4. Morale

As stated in the 2000 NPS Summary of Survey Results, morale is used as a general concept representing the satisfaction with work and the camaraderie between personnel in a unit or command, and is an important factor in the work life of Sailors. Maintaining a high level of morale is a challenging task in the Navy. But, as VADM LaFleur (Commander, Naval Surface Force Pacific), RADM Foley (Commander, Naval Surface Force Atlantic) and RADM Balisle (Surface Warfare Directorate) reported in their joint message discussing the results of the 2001 SWO JO Survey, “morale of their wardrooms continued to be what influenced them [junior officers] the most in regards to their decision to stay Navy.” (Junior Officer Survey Results, Navy Message, 2002). Although its importance in retention is undeniable, identifying the factors that most affect

retention has varied over time, as reflected in the results of the SWO JO surveys, in addition to the NPS surveys, the SWO Continuation Intentions Poll, and the NAE Poll.

In each of the SWO Surveys, command leadership and family separation were consistently reported as having the greatest impact on morale and on officers' retention decisions. As such, these areas were most often reported as areas to change to improve morale and esprit de corp. According to the SWO JO survey completed in 2003, 24.5 percent selected "reduce micromanagement up and down the chain of command" and 11.2 percent chose "reduce working hours in port" as top changes they would make.

According to the NPS conducted in 2000, the top five factors having a significant negative impact on officer morale were: 1) Unit/workgroup manning; 2) Pay/compensation; 3) PERSTEMPO (non-deployment time away from home) 4) attitude of co-workers/shipmates; 5) OPTEMPO (Official deployment). These factors changed somewhat in 2003 with the top five factors negatively affecting morale reported as: 1) workload; 2) unit/workgroup manning; 3) pace of work; 4) TEMPO (e.g., time away from home for deployment, TAD, etc.); 5) supply of spare parts/supplies. While there was a significant increase in the report of high morale at their current command overall, from 23 percent in 2000 to 40 percent in 2003, reports of low morale by officers in paygrades O-1 to O-3 remained at 19 percent for both survey periods (Olmstead and Underhill, 2003; Whittam, Janega and Olmstead, 2005).

In the SWO Continuation Intentions Poll, 61 percent of men surveyed indicated that SWO morale was one of the top reasons for leaving the Navy, while the women surveyed indicated that morale has an even greater influence, with 79 percent indicating it was a top influencer in their decision to leave the Navy. Once again, as seen previously, those officers in their pre-DH tour assessed the factor discussed more negatively, indicating a higher level of influence to leave the Navy. In this case, 74 percent of pre-DH officers indicated SWO morale as having influenced their decision while only 42 percent of officers in the DH tours and 33 percent of officers in their post-DH tours indicated being influenced by SWO morale (Newell, Whittman and Uriell, 2004).

Satisfaction with morale was also assessed in the NAE Quick Poll. Satisfaction with the overall NAE was reported high by both men (84 percent) and women (76

percent) but there was a definite decrease when assessing morale. Seventy percent of the men and 69 percent of the women surveyed were satisfied with NAE morale. The decreased level of morale in the community is most probably associated with the family issue concerns reflected in the results listed for reasons to leave the Navy (Newell, Whittam and Uriell, 2006).

5. Leadership

Perception regarding the quality of leadership in the Navy has also been found to be a determinant in an individual's satisfaction with life in the Navy and whether they will remain on active duty. The NPS series of surveys asked respondents to rate their level of satisfaction with the quality of leadership of their immediate supervisor and with the overall quality of leadership in their command. According to the 1998 NPS survey, results indicate that males are satisfied with leadership at a higher rate than females and that as paygrade increases, satisfaction with leadership also increased. Not surprisingly, satisfaction with leadership was also reported to be higher by those in shore duty billets than by those in sea duty billets.

In the 1998 NPS, the largest complaints against leadership were the feeling that “leaders at the highest levels are not being held to the same level of accountability as the rest of the Navy” and that “drug and alcohol standards are not enforced fairly across paygrades”. Additional comments included reports that leaders were “out of touch,” that they micro-managed and that “too much politicking” was occurring (Olmstead, Kantor and Palmisano, 2001).

Results for both the 2000 and 2003 NPS surveys also showed that officers were more satisfied with the quality of leadership of their immediate supervisors than with the overall quality of leadership in their commands. In the 2000 survey, 70 percent indicated satisfaction with their immediate supervisor while only 59 percent indicated satisfaction with command leadership. Additionally, only 48 percent of officers indicated agreement with the statement, “My command leadership plays an active role in the development of junior officers” in the 2000 NPS. The numbers did increase in the 2003 survey, with 81 percent indicating satisfaction with their immediate supervisor, and 75 percent indicating satisfaction with their command leadership. Levels of satisfaction for command leadership for all iterations of the NPS are indicated in Figure 6.

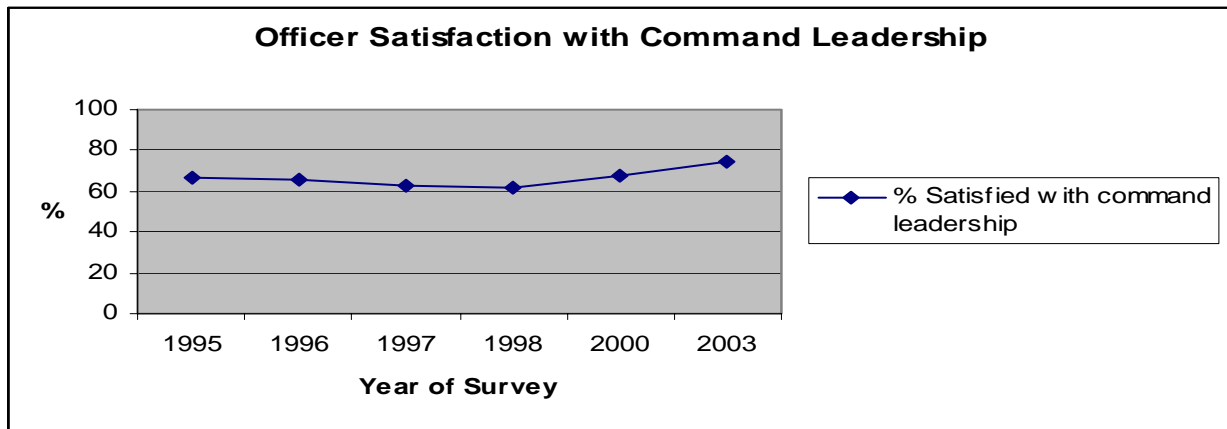


Figure 6. Percent of Officers satisfied with command leadership as indicated in the NPS Survey series. (Source: Kantor and Olmsted, 1998; Olmsted, Kantor and Palmisano, 2001; Olmsted and Underhill, 2003; and Whittam, Janega, and Olmstead 2005)

In the 1999 QOL survey, when asked to rate their level of satisfaction with leadership provided by supervisors, 48 percent of those intending to leave the military and 25 percent of those intended to remain indicated dissatisfaction. When asked to assess their level of satisfaction with support and guidance provided by their supervisor, 43 percent of the leavers and 23 percent of the stayers were dissatisfied (Wilcove and Schwerin, 2002).

The SWO JO surveys also addressed the issue of quality of leadership and asked respondents to what degree their decision to leave the military was influenced by the leadership at their command. In 1999, 34 percent of the officers surveyed indicated that the quality of the leadership at their command had influenced their command's morale. This rate increased slightly in the 2001 survey to 37 percent and then jumped to 54 percent in the most recent SWO JO survey in 2003. Of even greater influence in the 2003 survey was micromanagement, which 55 percent of officers indicated it had an influence in their decision to leave.

Mediocre levels of satisfaction with command leadership were also expressed in the NAE Quick Poll with only 64 percent of the women and 70 percent of the men expressing satisfaction with overall NAE community leadership (Newell, Whittam and Uriell, 2006).

B. AUTHOR'S 2007 FLEET SURVEY

To gauge current attitudes concerning the factors identified as most dissatisfying and likely to affect retention, with the assistance of the Naval Postgraduate School Office of Institutional Research and the approval of the Institutional Review Board, the author formulated and administered a fleet survey. The survey, entitled *Survey of URL Officer Attitudes Toward Various Aspects of Navy Life and Career*, was administered over the internet to 15 ships and five aviation squadrons. The ships included one aircraft carrier, two amphibious ships, five cruisers, five destroyers, and two frigates. The aviation squadrons included one patrol squadron, two tactical electronic warfare squadrons, and two strike fighter squadrons. The ships and aviation squadrons that participated were homeported on both the east and west coast.

With an approximate sample size of 525 officers, 178 responded, resulting in a 34 percent response rate. Of the officers that responded, 80 percent were junior officers in grades O-1 to O-3. The majority of the respondents (62 percent) were in the surface warfare designator, with an additional 17 percent in aviation warfare designators. With regards to gender, 85.4 percent were males. A review of commissioning sources showed 36.8 percent were NROTC graduates and 24.6 percent were USNA graduates. A review of marital status showed 58 percent of the officers were married.

The survey included questions regarding levels of satisfaction with the factors previously identified as being dissatisfying. These dissatisfying factors are job satisfaction, shipboard life, family separation and work/personal time balance, morale, and leadership. The responses to the questions addressing these factors are discussed below in addition to responses provided by respondents in an open-ended comment write-in portion at the end of the survey .

Responses to the questions regarding job satisfaction reflect attitudes similar to those previously reported. One third of survey respondents indicated dissatisfaction with their current jobs. Of those reporting dissatisfaction, 88 percent were males in the grades of O-1 to O-3. The data showed the amount of time spent at sea (26 percent) and the workload and length of the duty day while in port (52 percent) were found to be the most dissatisfying aspects of their jobs.. These two factors, along with civilian employment

opportunities, were reported as the top influencers for those indicating the intention to leave the Navy, with response ratings of 52 percent, 48 percent, and 46 percent, respectively.

Over one-third of officers providing write-in comments stated that excessive workload and long hours in port due to increased inspections, the need to maintain and repair equipment, training exercises, and qualification drills caused significant dissatisfaction with their current communities. Not meeting their expectation of having more time to take care of personal affairs and spend time with family during in-port periods was reported to negatively impact both morale and job satisfaction.

The survey respondents indicated generally high levels of satisfaction with shipboard life. This is possibly due to recent changes brought about by the habitability issues addressed in recent studies. Of those officers that did indicate dissatisfaction, 88 percent were males in grades O1 – O3.

Slight improvement in the level of satisfaction with family separation was reported in comparison to previous surveys. Only 44 percent of respondents reported dissatisfaction with the amount of time spent away from family, although, as seen previously, females indicated a higher rate (52 percent) of dissatisfaction. There was also a reduction in the number of officers who indicated that family separation was an influence on their decision to leave the Navy, with 53 percent indicating that it was an influencing factor.

Several female respondents wrote-in that a transfer out of their URL community to another community, or those with “fewer operational commitments” was desired in order to start a family or minimize time spent away from their family. Restricting their ability to request transfer due to staffing shortages was severely affecting their morale and job satisfaction and causing them to “rethink pursuing a naval career.”

Thirty-eight percent of the survey respondents reported that morale in their current command was either low, or very low, with the most negative assessments made by junior officers (84 percent) and women (44 percent). The recent implementation of the IA (Individual Augmentation) Program was also cited as having a serious negative effect on morale in several write-in comments. Responses included statements that IA’s

now caused 18 month separation from families which are generally followed by a six month deployment and that concern over being sent on an IA was causing officers to either leave the Navy or do back-to-back sea tours.

Responses provided in regard to the question of what changes would significantly improve command morale were reduce working hours in port (35.2 percent), reduce inspections during pre-deployment periods (19.1 percent), and reduce sea time (15.4). In the portion of the survey that allowed for write-in comments, the most often cited means to improve morale were: allow more time in-between sea periods for recovery and preparation; provide a more consistent ship's schedule to allow for better planning; improve communication between senior leadership and junior officers; and, trust the judgment of junior officers in making decisions.

Responses to questions regarding satisfaction with command leadership were rather contradictory. While only 31 percent indicated that they were dissatisfied with their command leadership, 43 percent reported being strongly influenced by the quality of their command leadership to leave the Navy. Responses provided in the open-ended write-in portion of the survey regarding causes for leadership dissatisfaction included excessive micromanagement, lack of trust and lack of respect for junior officers, no mentorship, and a lack of consistency with command directives. In addition, more than a few junior officers commented that obtaining qualification was not a command priority although without it they were viewed as "irrelevant."

Of particular value in gauging current officers attitudes were the additional write-in comments provided by a substantial number of respondents. The comments reported were predominantly negative and reinforced those factors previously identified as having a significant impact on retention intentions and job satisfaction. The specific examples cited provided valuable insight into the climate in which these officers work and the basis for their dissatisfaction.

C. SUMMARY

The factors identified as being the most dissatisfying and having the greatest impact on retention have been relatively consistent over time. While several of these factors, most specifically satisfaction with shipboard life, amount of family separation,

and various aspects of job satisfaction are unique to the Navy, they are essential components required for fulfillment of the Navy's mission. This is not to say that these areas cannot be improved, particularly in light of recent initiatives to improve shipboard habitability and services, but family separations due to deployments and training, and long hours due to watches and completion of mission essential tasks will remain a necessary part of Navy life for URL officers.

As indicated in the section discussing job satisfaction above, the discrepancy between levels of satisfaction with work performed and levels of job satisfaction can be attributed to issues in the officer designators. Those issues with the greatest flexibility with regards to modification and improvement are command morale and leadership. As the surveys indicated, numerous aspects of work life affect individual and command morale, from co-worker attitudes to material support. Improving these individual aspects can be done in small increments and may result in substantial improvements in command morale and overall job satisfaction. Command leadership entails not just giving orders but also providing guidance in the form of mentorship, adequate training, and recognition for work accomplished. Emphasizing the importance of these aspects of leadership with future Navy leaders may greatly increase retention of the population most dissatisfied with current leadership, junior officers.

As several survey respondents reported, restricting the ability to lateral transfer or redesignate for URL officers negatively effects retention and forces officers to leave the Navy instead of allowing them the opportunity to pursue a Navy career in another designator. The key to enhancing retention of URL officers is to improve those factors identified as the greatest dissatisfiers. Improving these factors may have a positive effect on retention efforts and ensure that those who do apply for lateral transfer and redesignation do so for a better fit with educational background and future career goals, not because their current designator is so abhorrent.

IV. OFFICER CATEGORIES AND SELECTION CRITERIA FOR RL DESIGNATORS AND STAFF CORPS

A. INTRODUCTION

Chapter IV is organized into two sections. The first section presents an overview of the Navy officer categories and the designators within each. Included will be a description of the officer categories and their designators, their current officer strength, their method of accessing new officers, and a subjective analysis of the impact of the lateral transfer and redesignation process on the individual designators, based on interviews with the Officer Community Managers (OCMs). Also included will be an illustration of the URL losses to the lateral transfer and redesignation process between 1996 and 2006 and the selections versus the quotas authorized for the RL and Staff Corps, obtained from Navy publications and administrative messages. The second section describes the RL and Staff Corps requirements for selection through the lateral transfer and redesignation process obtained from Navy Military Personnel Manual (MILPERSMAN) 15560D and interviews with the OCMs.

1. Officer Categories

There are five categories of Navy Officer. These categories are Unrestricted Line (URL), Restricted Line (RL), Staff Corps, Limited Duty and Chief Warrant. For the purpose of this study, only the first three categories will be addressed. Figure 7 indicates the officer program authorizations (OPA) for FY 2007 and the current inventories for designators within the URL, RL, and the two Staff Corps designators (CEC and Supply) which participate in the lateral transfer and redesignation process (Navy Officer Manpower and Personnel Classification, NAVPERS 15839I, 2006).

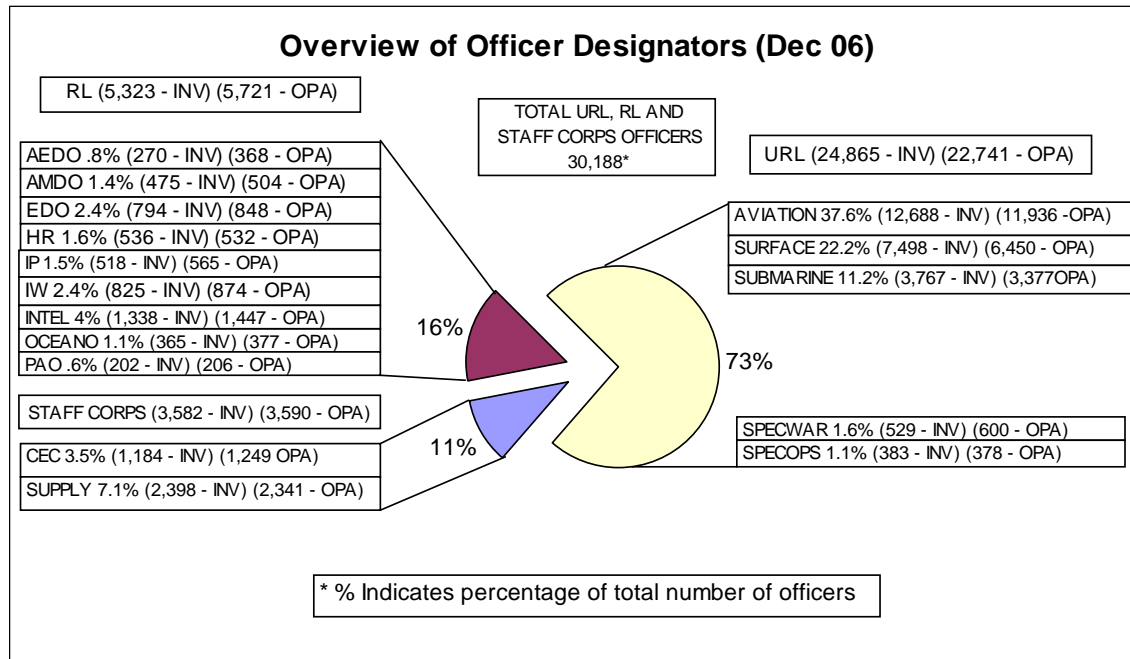


Figure 7. Officer Designator Overview indicating Current Inventory (INV) and Officer Program Authorizations (OPA). (Source: Author Interviews with OCMs, 2006)

a. URL

URL Officers are officers of the line of the Navy who are not restricted in the performance of their duties and are qualified to command ships, ground combat units and aviation squadrons. URL Officers are required to have earned, at a minimum, a Bachelor's Degree and receive their commissions through the United States Naval Academy (USNA), Naval Reserve Officer Training Corps (NROTC), Officer Candidate School (OCS), Seamen-to-Admiral (STA) and other enlisted commissioning programs. The URL includes officers from Aviation Warfare, Surface Warfare, Submarine Warfare, Special Warfare, and Special Operations designators, described below. As can be seen in the figure above, the URL currently has an inventory nearly ten percent over their OPA (or requirement), with the majority of this overage in the junior ranks of the surface (16 percent) and submarine (11 percent) designators (NAVPERS 15839I, 2006; Author interviews with OCMs, Dec 2006).

(1) Aviation Warfare 131X/139X (Pilot) and 132X/137X (Naval Flight Officer (NFO)). Officers qualified in Aviation Warfare are combat-ready naval air forces who are trained to operate in an environment that emphasizes safety,

interoperability and efficient resource management. The two aviation designators are pilot (131X/139X represents pilot-in-training), whose mission involves combat and non-combat operations, including direct hostile engagements and support operations, and Naval Flight Officers (132X/137X represents NFO-in-training) who perform navigator, electronic countermeasure operator, weapons system officer, and combat information center officer duties. The aviation designator is the largest of the URL with a current strength of 12,688, which represents 51 percent of the total inventory of URL officers. The aviation designator draws its accessions primarily from the USNA and NROTC, and to a lesser extent from OCS, with very few accessing into aviation from the enlisted commissioning programs (Author interview with the Aviation OCM, Dec 2006).

Although the largest of the URL, only 150 to 160 aviation officers apply to the lateral transfer and redesignation process each year. The reason for this stems from the extensive minimum service requirements (MSR) imposed on them after commissioning and qualification. For instance, a pilot incurs eight years of service after their initial two years of training and a NFO incurs six years of service after training. The first time an aviation officer is eligible to request a lateral transfer is within one year of their MSR, at which time they have an average of eight to nine years of continued service. Aviation officers are also offered an extensive bonus (\$25,000 per year for an additional five years) to remain in their designator after completion of their initial MSR.

According to the Aviation OCM, the majority of aviation officers that do apply for lateral transfer or redesignation are those who did not screen for Department Head, which “basically ends their career in aviation,” those officers which missed a specific milestone or “wicket” in their career, and those officers which simply no longer desire to remain in aviation. The negative impact of the lateral transfer and redesignation process is considered minimal in light of the fact that the aviation officers that apply either no longer have or no longer desire a career in aviation. On a positive note, the lateral transfer and redesignation process allows these officers to continue their naval careers in a new designator with the warfare qualification and experience gained in aviation (Author interview with the Aviation OCM, Dec 2006).

The number of aviation officers (indicted individually for pilots and NFOs) selected for lateral transfer and redesignation between 1996 and 2006 are indicated in Figures 8 and 9.

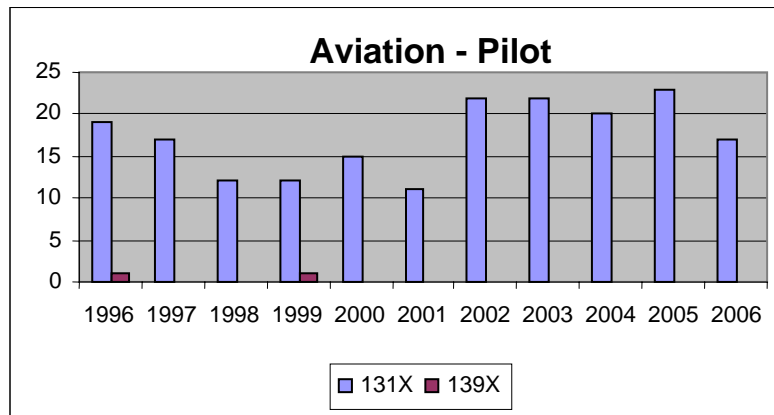


Figure 8. Aviation (Pilot) Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)

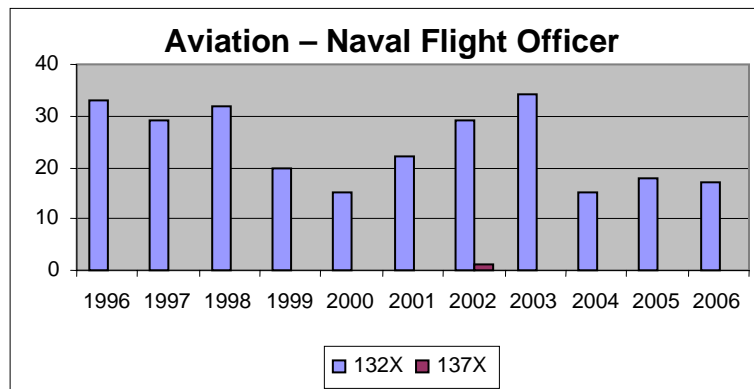


Figure 9. Aviation (NFO) Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)

(2) Surface Warfare 111X/116X. Surface Warfare officers are trained to exploit tactical advantages by utilizing combat ready ships, technologies, and strategies to achieve operational excellence while conducting prompt and sustained combat operations at sea (Commander, Naval Surface Forces, U.S. Atlantic Fleet, COMNAVSURFLANT, <http://www.cns1.surfor.navy.mil/mission.htm>, Dec 2006). Accessions into the Surface Warfare designator come directly from the USNA, NROTC,

OCS, and STA. The Surface Warfare designator is the second largest of the URL designators with a current officer strength of 7,498, which represents 30 percent of the total URL officer inventory.

Although representing only 30 percent of the URL, SWOs accounted for over 45 percent of all applicants to the Lateral Transfer and Redesignation Board between 1996 and 2006. Due to manning shortages at the DH level over the last decade, and recent reductions in accessions, the number of officers allowed to lateral transfer or redesignate out of the Surface Warfare designator has greatly diminished over the last several boards. Applications from year groups (YGs) which are projected to fall short of necessary DH retention levels are never forwarded to the Lateral Transfer and Redesignation Board and are instead held back after the OCM review (Author interview with the Surface Warfare OCM, Dec 2006).

Several other factors reduce the flow of lateral transfers from the SWO designator. Newly commissioned Surface Warfare Officers incur a MSR of between three and five years, depending upon their commissioning source. They are not eligible to apply for lateral transfer or redesignation until they are within six months of meeting their MSR. Additionally, in 1999 the Navy instituted the SWO Continuation Incentive Pay (SWOCP) bonus which pays SWOs \$50,000 to complete one or more tours of duty as a Department Head. Officers accepting the bonus are not eligible to apply for transfer or redesignation until they have completed at least one Department Head tour (MILPERSMAN 15560D; NAVADMIN 281/99).

According to the Surface Warfare OCM, due to the personnel shortages, support for the lateral transfer and redesignation process has diminished and, “even though we understand the value the process has to the RL and Staff Corps, we do not see the process in a positive manner.” Although the surface warfare designator is currently over their OPA, shortfalls exist in the YGs which are generally those most desired for transfer and redesignation (LT and above with warfare qualifications) (Author interview with the Surface Warfare OCM, Dec 2006).

Figure 10 indicates the number of Surface Warfare officers selected for transfer through the lateral transfer and redesignation process between 1996

and 2006. As discussed, the figure shows a greatly reduced number of selectees over the last three years after a high of 218 in 2003.

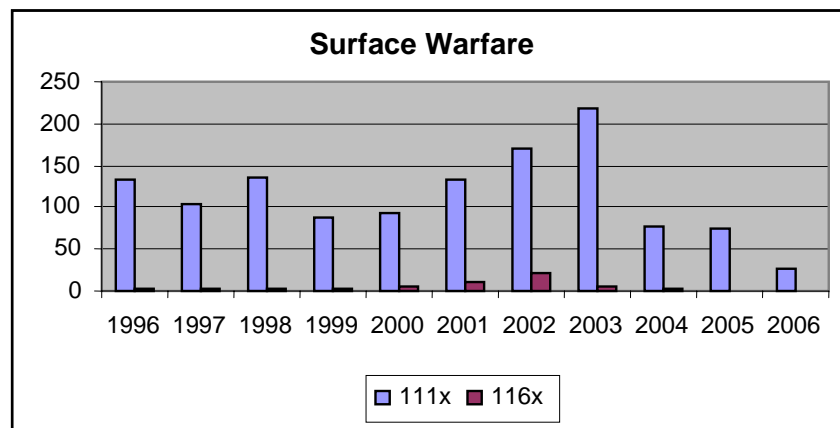


Figure 10. Surface Warfare Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)

(3) Submarine Warfare 112X/117X. Submarine Warfare officers are trained to aggressively incorporate new and innovative technologies to maintain dominance throughout the maritime battle space. They promote the multiple capabilities of submarine tactics through preparation of the battle space, support of the land battle and strategic deterrence, in support of national objectives (Commander, Submarine Forces, U.S. Pacific Fleet, COMSUBPAC, <http://www.csp.navy.mil>, Dec 2006).

The submarine designator represents 15 percent of the URL population with current officer strength of 3,767. Accessions into the submarine designator are directly from the USNA, NROTC and OCS. As seen in Figure 11, selections by the Lateral Transfer and Redesignation Board have consistently been less than one percent of their total inventory. A contributing factor to the low number of applicants may be the requirement that submarine officers complete at least one Department Head tour before being eligible to apply. The impact of the lateral transfer and redesignation process is minimal and is viewed as “a very valuable tool to the Navy, because it affords officers an opportunity to select and succeed in another community when they can not successfully succeed in their present community without having to leave Navy.” (Author interview with the Submarine OCM, Dec 2006).

Figure 11 indicates the number of Submarine Warfare officers who have been selected for transfer or redesignation.

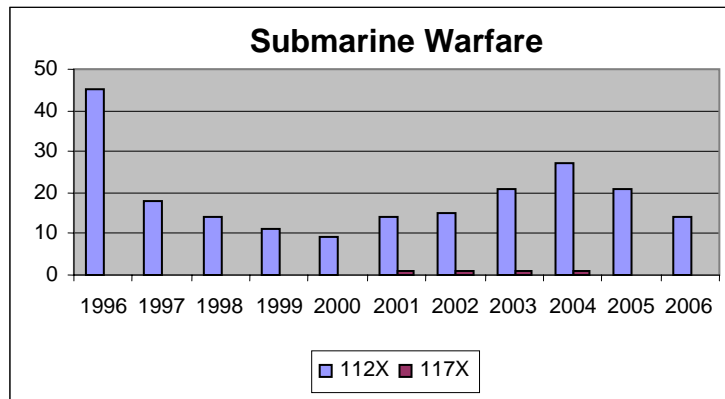


Figure 11. Submarine Warfare Lateral Transfers. (Source: Navy Administrative Messages, 1996-2006)

(4) Special Warfare 113X/118X. Special Warfare officers are part of a tactical force with a strategic impact whose missions include special reconnaissance, direct action, unconventional warfare, combating terrorism, foreign internal defense, information warfare, security assistance, personnel recovery and hydrographic reconnaissance. Special Warfare forces are typically small groups of highly trained sailors who are armed and supplied with specialized equipment and operate under the principles of self-sufficiency, stealth, speed, and close teamwork. The two main specialty areas are sea, air, and land (SEAL) and special warfare combatant-craft crewmen (SWCC). SEALs take their name from the elements in and from which they operate and they use “stealth and clandestine methods to conduct multiple missions against targets that larger forces cannot approach undetected.” SWCC operate and maintain the Navy’s inventory of state-of-the-art, high performance boats and ships used to support SEALs and special operations missions throughout the world (Commander, Naval Special Warfare Command, <https://www.navsoc.navy.mil/missions.aspx/>, Dec 2006).

Officers are assessed directly from the usual commissioning sources, USNA, NROTC, OCS and STA programs. The Special Warfare designator has a current strength of 529 and are not currently authorized to lateral transfer from Special

Warfare. (Chief of Naval Operations (N13/070), Lateral Transfer/Redesignation Board Requirement Letter, Oct 06). Only one Special Warfare officer has been selected for transfer since 1996 (NAVADMINS 168/03).

(5) Special Operations 114X/119X. Officers designated to Special Operations train, organize, and deploy to combat areas of operation in support of combat commanders and more recently, lead, plan, synchronize, and fight against terrorist networks (United States Special Operations Command, http://www.socom.mil/docs/command_mission/, Dec 2006). Direct accessions from the USNA, NROTC, OCS and STA commissioning programs populate the Special Operations designator which is the smallest of the URL with an inventory of only 378 officers. Special Operations officers wishing to apply for lateral transfer or redesignation must have served three years in an afloat 114X assignment to be eligible. According to historic NAVADMINS, only seventeen Special Operations officers have been selected by the Lateral Transfer and Redesignation Board since 1996 (Chief of Naval Operations (N13/070), Lateral Transfer/Redesignation Board Requirement Letter, Oct 06).

b. RL

RL Officers are officer of the line of the Regular Navy and Naval Reserve who are restricted in the performance of duty by having been designated for aviation duty, engineering duty, aerospace engineering duty or special duty and are not eligible for command at sea. (NAVPERS 15839I, 2006). The designators of the RL support the URL by providing skills, expertise, and experience in the areas of Aerospace Engineering, Aviation Maintenance, Engineering, Foreign Affairs, Human Resources, Information Professional, Information Warfare, Intelligence, Oceanography, and Public Affairs.

The majority of RL accessions come from the lateral transfer and redesignation process and its URL-heavy pool of applicants although there are a few designators with the ability to direct access from the USNA, NROTC and OCS. Officers accessed from the USNA and NROTC are generally those not physically qualified for the URL, and to a lesser extent, officers who were eligible to select a RL designator “option” which they may exercise after achieving warfare qualification in either surface or submarine warfare. Officers accessed by the lateral transfer and redesignation process

are limited by both the number of quotas authorized per board and the ability of the losing designator OCM to relinquish his officers.

Navy accession plans are reviewed twice a year to identify current designator strength levels. At the time of the review, each OCM is afforded the opportunity to provide input regarding the number of officers they need to fill their empty billets. The RL OCMs were previously able to identify the officers needed by paygrade but recent changes in the quota assignment process now provide quota management by YG. Quota requests from each OCM are consolidated and reviewed by the head OCM who then forwards them to the Chief of Naval Operations (CNO) Force Shaping Policy Branch (N132) for final approval. Approved requests are then returned to the OCMs and the Lateral Transfer and Redesignation Board in the form of an official Requirements Letter. These Requirement Letters then form the basis for the selections to be made from the applications submitted to the bi-annual Lateral Transfer and Redesignation Board.

OCMs interviewed by the author expressed dissatisfaction with the current process of assigning quotas. The most dissatisfying aspect reported was the new management of quotas by YG as opposed to by paygrade. Often their requests for a particular grade, due to OPA restrictions, are filled by applicants from a YG which is not experiencing manning shortages. Recent boards have also seen selections to particular designators of applicants who do not meet even the minimum qualification requirements, much to the consternation of the OCM (Author interviews with OCMs, Dec 2006).

The sections which follow provide a description, current inventory, methods of accession, number of selections against number of quotas authorized, and responses from the OCMs regarding their attitude toward and dependence on the lateral transfer and redesignation process, for each of the RL designators.

(1) Aerospace Engineering Duty (AED) 151X. Officers in the AED designator provide effective professional management and technical direction in the design, development, test, procurement, engineering, production, and logistic support of naval aircraft, spacecraft, and weapons (Naval Personnel Command, <https://www.npc.navy.mil/officer/aviation/AEDO/>, Dec 2006). The AED designator's current strength is 270 and accessions into AED come solely from the lateral transfer and

redesignation process. The AED Detailer stated that it was vital to have an effective lateral transfer and redesignation process with a large pool of URL applicants because, “if it weren’t for a healthy lateral transfer and redesignation process, we would cease to exist.” (Author interview with the AED Detailer, Dec 2006). Figure 12 indicates the number of quotas authorized and the number of officers selected by the Lateral Transfer and Redesignation Board over the last ten years for the AED designator.

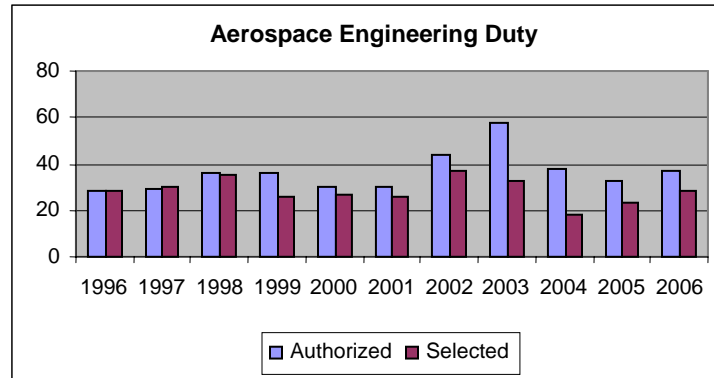


Figure 12. AED Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(2) Aviation Maintenance Duty (AMD) 152X. AMD officers provide full time direction in the development, establishment, and implementation of maintenance and material management policies and procedures for the support of naval aircraft, airborne weapons, attendant systems and related support equipment. They are also involved in all aspects of material acquisition and support as top-level Program Managers in NAVAIR and as Commanding Officers of Naval Aviation Depots (NPC, <http://www.npc.navy.mil/officer/aviation/AMDO/>, Dec 2006).

The AMD designator is one of the few RL designators with the ability to direct access from the USNA, NROTC, and OCS and as such require few new accessions through the lateral transfer and redesignation process. According to the AMD Detailer, due to a healthy number of direct accessions there would be minimal impact on his community if he were not able to access officers through the lateral transfer and redesignation process. As seen in Figure 13, below, approximately half the number of

quotas authorized are selected, although the number selected has dropped significantly over the last two years, perhaps due to reduced aviation qualified applicants (Author interview with the AMD Detailer, Dec 2006).

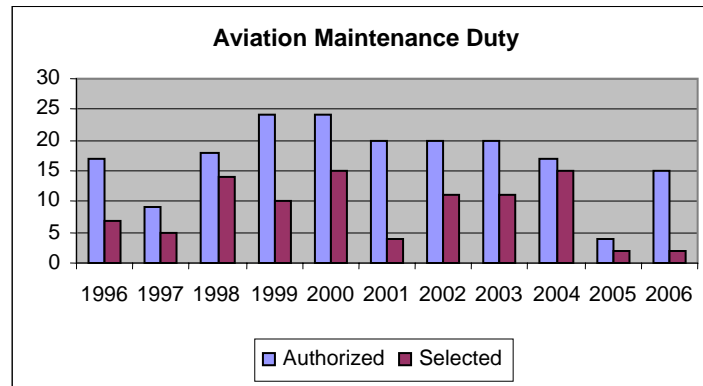


Figure 13. AMD Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(3) Engineering Duty (ED) 14XX. The ED designator trains officers to apply technical expertise, practical engineering judgment, and business acumen to the research, development, design, acquisition, construction, life cycle maintenance, modernization, and disposal of ships and submarines and their associated warfare support systems. All ED officers begin their Navy careers in the URL as either Surface Warfare officers or Submarine Warfare officers. They then obtain either a technical or engineering master's degree and combine their operational experience and technical knowledge to become the technical business leaders for the Navy (Author interview with the ED OCM, Dec 2006).

Officer strength for ED is 794 and they rely upon the URL communities for accessions and the ED Option Program offered to midshipmen from the USNA and NROTC, for additional officers. With few new accessions through the Options Program each year, the ED designator is heavily dependent upon the lateral transfer and redesignation process for their warfare qualified and operationally experienced officers and, according to the ED OCM, it would be unimaginable if the ED

designator did not receive lateral transfers because they “would dry up and go away.” (Author interview with the ED OCM, Dec 2006).

The ED Option Program discussed above is available during Service Selection through the commissioning programs at USNA, NROTC, and OCS. Midshipmen and Officer Candidates with either science or engineering degrees, and a GPA greater than 3.0, are given the option to choose either "1165E" to begin their careers as traditional Surface Warfare Officer or "1175E" to begin their careers as a traditional Submarine Officer, with the opportunity to exercise the option to transfer to ED upon successful warfare qualification (NPC, <http://www.npc.navy.mil/officer/pers44/engineeringduty/edaccessions/>, Dec 2006). Figure 14 illustrates the number of quotas authorized and the number selected for lateral transfer into the ED designator from 1996 – 2006.

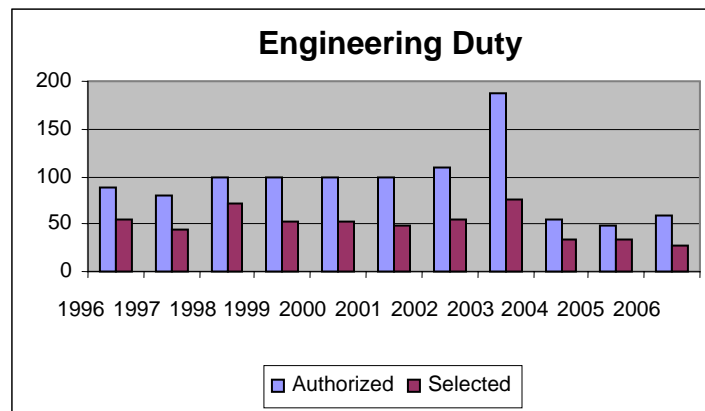


Figure 14. ED Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(4) Foreign Affairs (FAO) 17XX. Foreign Affairs Officers provide theater commanders with the requisite war fighting capabilities to achieve success in planning and executing operations, to provide liaison with foreign militaries operating in coalitions with U. S. forces, to conduct political-military activities, and to execute military-diplomatic missions. FAO is the newest of the RL designators, having just been approved by the Secretary of the Navy in September 2006 and carries three levels of classification. These levels of classification are: new build FAO, enhanced FAO, and fully qualified FAO.

The FAO designator does not gain direct accession from the USNA, NROTC, or OCS at this time, and relies solely on the lateral transfer and redesignation process. It currently has officer strength of 75, which is expected to increase semi-annually with selections from the Lateral Transfer and Redesignation Board. There are 260 billets for FAOs and this number is expected to increase over the next several years (NPC, <https://www.npc.navy.mil/officer/foreignarea/>, Dec 2006).

(5) Human Resources (HR) 120X. In 2001, at the dissolution of the Fleet Support designator, the HR Designator was created. HR officers plan, program, and execute life-cycle management of the navy's human resources system, which combines elements of manpower, personnel, training, and education strategies of the Navy (Author interview with the HR OCM, Dec 2006).

The HR designator does not access directly from any of the officer commissioning sources and is strictly dependent on the lateral transfer and redesignation process for all new officers. They have officer strength of 536 and at the time of creation in 2001, they had no limit on the number of selections by the Lateral Transfer and Redesignation Board; all qualified applicants were selected. This resulted in a quick fill for the new community, which has since resulted in diminished quotas over the last two years. (See Figure 15, below).

Without direct accessions, the lateral transfer and redesignation process is extremely valuable to HR. They too would “dry up and go away” if unable to access officers through the lateral transfer and redesignation process. The HR OCM expressed her belief that staffing HR billets with qualified officers based on their operational experience pays great dividends to both HR and the Navy as a whole (Author interview with the HR OCM, Dec 2006). Figure 15 indicates the quotas authorized (except for 2001 and 2002, during which time they had no limit on selections) and the number of officers selected since the HR designators creation in 2001.

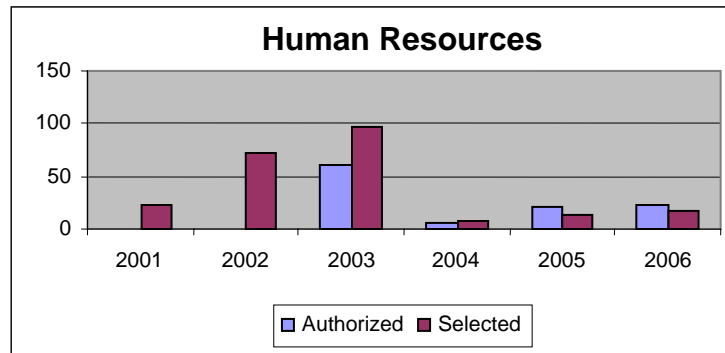


Figure 15. HR Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(6) Information Professional (IP) 160X. The IP designator was also created at the time of the dissolution of the Fleet Support designator in 2001. IP officers are the command, control, communications, computers, and intelligence (C4I) experts of the Navy. They support war fighters and combat commanders with reliable terrestrial, ground, voice, and data communications by planning, acquisitioning, operating, maintaining, and securing the systems that support the Navy's operational and business processes (Author interview with the IP OCM, Dec 2006).

There are currently 518 IP officers and the only means of accessing new officers is through the lateral transfer and redesignation process. As indicated by the IP OCM, the IP designator would be devastated without the lateral transfer and redesignation process. If they were no longer able to access URL officers through the lateral transfer process, it was suggested that a path such as the Option Program used by the ED would have to be established to allow them to gain officers after they earn their warfare qualification. In addition, with the new Littoral Combat Ships (LCS) joining the fleet, the demand on IP will increase dramatically with each ship requiring two IP officers. The Navy is going to have to seriously consider more ways to direct access officers into the IP Designator to fill the manpower requirements of these ships. Indicated in Figure 16 are the quotas authorized (except for 2001 and 2002, during which time they had no limit on selections) and the number of officers selected since the creation of the IP designator in 2001.

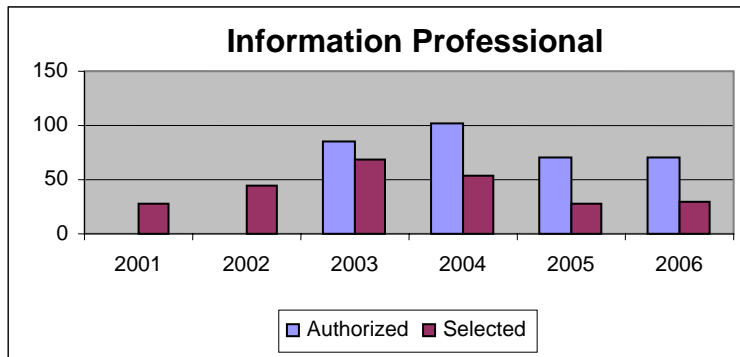


Figure 16. IP Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(7) Information Warfare (IW) 164X. IW officers maintain expertise in all facets of information operations to include traditional cryptology, command and control, and space systems. IW Officers create warfighting options for Fleet Commanders to fight and win in the information age. The community delivers and operates a reliable, secure and battle ready global network, and they lead in the development and integration of information operations capabilities into the fleet (NPC, <https://www.npc.navy.mil/officer/pers44/informationwarfare/>, Dec 2006).

The IW designator currently has officer strength of 825 and attains accessions from the USNA, NROTC, OCS, and STA commissioning programs, and through the lateral transfer and redesignation process. Due to their ability to direct access, they are not as dependent upon the lateral transfer and redesignation process as several of the other RL designators. They are one of the few RL designators with the ability to directly access Ensigns, although not the number needed to meet their manning requirements. The IW OCM would like to see an increase in direct accessions. It was also indicated that an IW Option Program for USNA and NROTC sources was under consideration for future implementation (Author interview with the IW OCM, Dec 2006).

Concerning the quota management system, the IW OCM also expressed dissatisfaction with the system of managing quotas by YG and not by paygrade. The OCM feels his community should be allowed to access via the lateral

transfer process the number of officers he needs to fill empty billets according to his OPA, and not be held to YG constraints. “This is what is keeping the shortages the way they are. When the number of transfers comes from YGs, this does not help fill officers needed by pay grades. The people making the decisions want the community managers to manage manpower by YG instead of pay grade and from a community manager perspective, this does not work.” (Author interview with the IW OCM, Dec 2006.). Figure 17 shows the quotas authorized and the number of officers selected between 1996 and 2006 by the Lateral Transfer and Redesignation Board for transfer into the IW Designator.

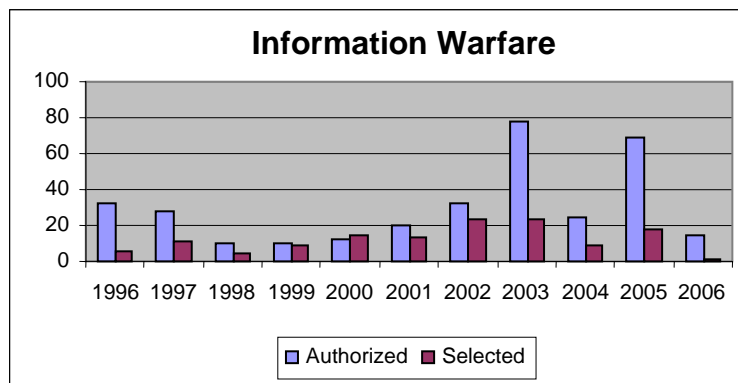


Figure 17. IW Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(8) Intelligence 163X. Intelligence Officers provide tactical, operational and strategic intelligence support to U.S. naval forces, joint forces, multinational forces, and executive level decision-makers. They are responsible for all-source analysis and predictive assessments and are at the forefront of today’s challenges to national security, from the Global War on Terrorism (GWOT) to countering emerging regional threats (NPC, <https://www.npc.navy.mil/officer/pers44/intelligence/officer-accessions/>, Dec 2006).

There are currently 1,338 officers in the Intelligence designator. Approximately 60 percent of their accessions come from the USNA, NROTC, OCS, STA commissioning programs, the Merchant Marine Academy and reserve recalls. From

these sources the designator is able to fill its ENS and LTjg OPA billets. The remaining 40 percent of new accessions are expected to come from the lateral transfer and redesignation process in order to fill their LT and LCDR OPA billets. As indicated by the Intelligence OCM, the designator is experiencing a significant impact from the reduced pool of lateral transfer and redesignation applicants over the last several boards because “the OPA levels are far greater at the lieutenant level compared to the ensign and LTjg levels and we do not have the inventory to meet the requirements. The current challenge is that in order for us to have a healthy lateral transfer pool other communities must be willing to let those officers go.” While the OCM is satisfied with the number of quotas given, only a fraction of officers are being selected, as indicated in Figure 18, primarily because the URL designators cannot afford to lose their LTs and LCDRs, resulting in very few applications being forwarded to the board from the URL OCMs (Author interview with the Intelligence OCM, Dec 2006). Figure 18 provides quota authorizations and the number of officers selected for the Intelligence designator from 1996 through 2006.

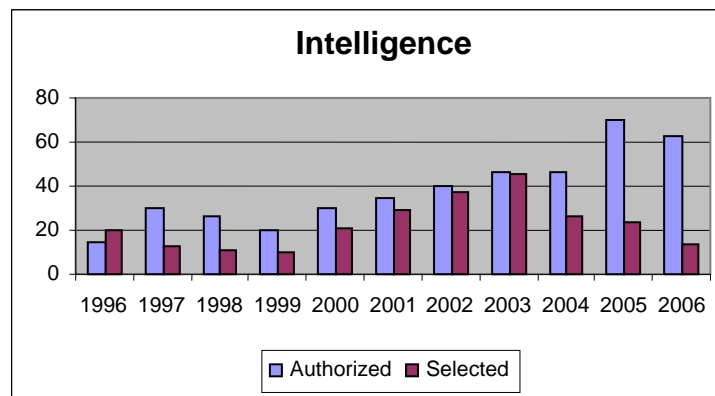


Figure 18. INTEL Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(9) Oceanography (OCEANO) 180X. OCEANO officers, also referred to as Meteorology (METOC) Officers, are the meteorologist, oceanographers, and hydrographers of the Navy. They “collect, interpret and apply meteorological and oceanographic data for safety at sea, strategic and tactical warfare, and weapons system

design, development and deployment and provide meteorological, oceanographic, and geospatial information and services (GI&S) to increase the effectiveness of the Navy in peacetime and in war.” (Author interview with the OCEANO OCM, Dec 2006).

The OCEANO designator currently has officer strength of 365 and accessions are obtained primarily through the lateral transfer and redesignation process although a small number come from the USNA and NROTC commissioning programs. OCEANO also recently obtained five officers from the Air Force through an inter-service transfer program that has been in existence for some time but was rarely used. The OCEANO OCM indicated that the number of quotas from the USNA and NROTC are expected to increase in the near future with the re-institution of the Oceanography Option Program. The program was cut several years ago due to budget constraints but once re-instituted it is expected to be the primary means of accessing new officers, while the other commissioning sources and the lateral transfer and redesignation process will be used to “top off” the community. With the URL currently supplying the majority of new officers to OCEANO, the OCM stated that, “we would not survive very long,” if they were no longer able to access new officers through the lateral transfer and redesignation process (Author interview with the OCEANO OCM, Dec 2006).

Pertaining to the assignment of quotas, the OCEANO OCM also expressed dissatisfaction with the process, although, unlike the designators previously mentioned, his dissatisfaction stemmed from his inability to plan ahead beyond the current year’s accessions. Unlike the URL designators, who know well in advance the number of new accessions they can expect each year, the RL is dependent on the quotas they receive, which often times are not filled with selections by the board. Displayed in Figure 19 are the quotas authorized by the Navy and the number of officers selected over the past ten years by the Lateral Transfer and Redesignation Board into the OCEANO Designator.

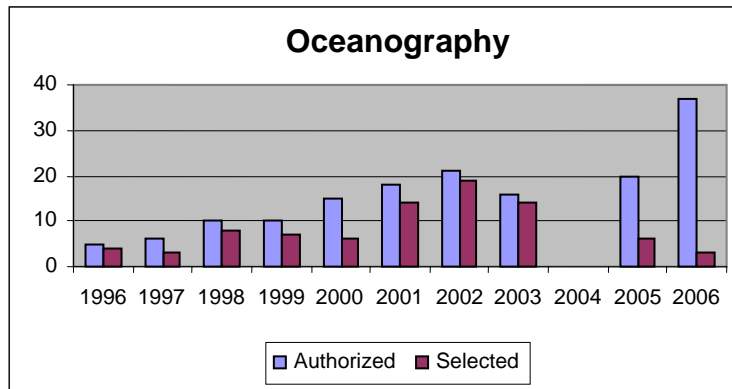


Figure 19. Oceanography Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(10) Public Affairs (PAO) 165X. There are three functional areas of the PAO designator. These areas are: media operations in which PAO officers work with media outlets to communicate with the public; internal communications involving the production of publications, briefings and video news programs to communicate with sailors, their families, reservists, retirees and civilian employees; and, community relations which entails reaching out to the public through "hands-on" programs like public tours, congressional and VIP visits, speaking engagements, open houses and special events. PAOs serve at sea, ashore, and in joint assignments, and are “deployed where Navy news is being made.” (NPC, [https://www.npc.navy.mil/officer/pers44/public affairs/](https://www.npc.navy.mil/officer/pers44/public%20affairs/), Dec 2006).

The PAO designator is the smallest of the RL designators with only 202 PAOs assigned. New accessions predominantly come through the lateral transfer and redesignation process although they, like OCEANO, recently accessed several Air Force officers through the inter-service transfer program previously mentioned. Without direct accession quotas, the PAO designator is strictly dependent on the URL for new officers making the lateral transfer and redesignation process extremely to them. According to the PAO OCM, without lateral transfers, “we would be dead in the water.” (Author interview with the PAO OCM, Dec 2006). Figure 20 shows the quotas authorized and the number of officers selected by the Lateral Transfer and Redesignation Board for the PAO designator between 1996 and 2006.

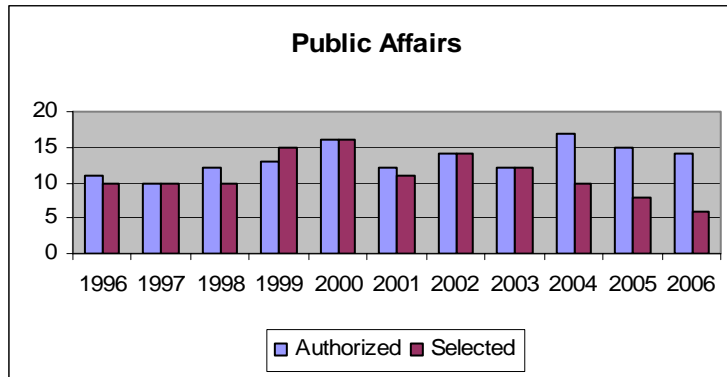


Figure 20. PAO Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

c. *Staff Corps*

The Staff Corps of the Navy was officially established in 1981 “to meet the mission objective of the Department of the Navy by providing for the administration and accomplishment of selected functions best performed by specialists in professions requiring specialized education, training and experience.” (SECNAVINST 1301.4, Sep 1981). The Staff Corps accesses officers from the USNA, NROTC, OCS, and from the Officer Indoctrination School (OIS). Officers of the Staff Corps include Medical, Dental, Nurse, Medical Service, Chaplain, Judge Advocate General, Supply, and Civil Engineer Corps. Only the Supply Corps and the CEC Corps accept lateral transfers from the URL and RL (NPC, <http://www.npc.navy.mil/officer/pers44/>, Dec 2006).

(1) Civil Engineering Corps (CEC) 510X. CEC officers are professional engineers and architects and are primarily responsible for managing the planning, design, construction, operation, and maintenance of the Navy's shore facilities. The three specialized fields in which CEC officers perform their duties are: contract management where officers review designs and prepare, solicit and contract bid packages, supervise construction, identify problems and devise solutions; public works, in which officers operate and maintain the complex facilities and utilities systems at shore activities; and, in construction battalions where they maintain the Navy's mobile

construction capabilities and support the Fleet Marine Force and amphibious operations (Author interview with the CEC OCM, Dec 2006).

The CEC currently has officer strength of 1,184 and is allocated direct accessions from the USNA, NROTC, OCS, and STA commissioning programs. Approximately 75 percent of CEC accessions are from these commissioning programs while the remainder access through selection in the lateral transfer and redesignation process. Similar to other RL designators with direct accession capabilities, the CEC would not be greatly impacted if unable to gain new accessions through the lateral transfer process although the CEC OCM did state that if no longer able to access URL officers, they would be forced to select more attrites and attempt to increase their direct accessions authorizations (Author interview with the CEC OCM, Dec 2006). Figure 21 indicates the number of quotas authorized and the number of officers selected into the CEC from 1996-2006.

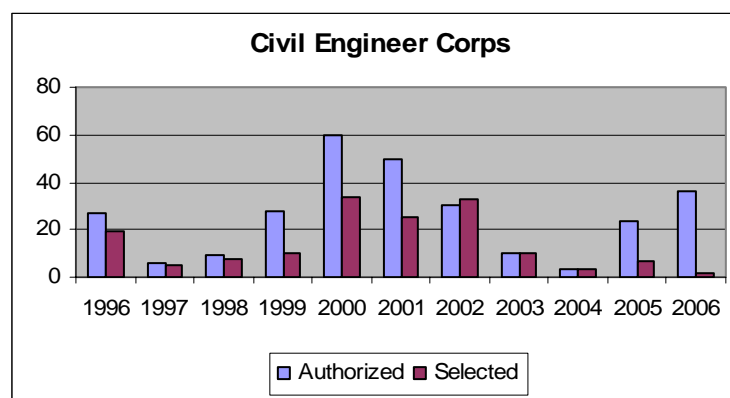


Figure 21. CEC Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

(2) Supply Corps 310X. Supply Corps officers are the Navy's business managers, performing executive level duties in financial management, inventory control, physical distribution systems, contracting, computer systems, operations analysis, material logistics, petroleum management, food services and other related areas in a Naval and joint environment (Author interview with the Supply Corps OCM, Dec 2006).

The Supply Corps has officer strength of 2,398 and are allocated direct accessions from the USNA, NROTC, OCS, and STA commissioning programs. Although authorized quotas, they are not sufficient to meet all manpower requirements and subsequently they find it necessary to access officers through the lateral transfer and redesignation process. The impact of the lateral transfer and redesignation process on the Supply designator was stated to be minimal and if unable to access through this source, the OCM stated they would need to increase direct accessions proportionally. Figure 22 shows the quotas authorized and the number of officers selected between 1996 and 2006. Note that although authorized an average forty quotas per year, only ten officers have been selected into Supply over the past four years.

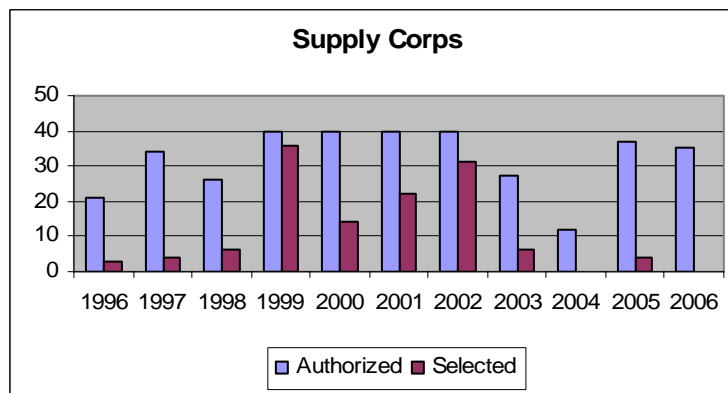


Figure 22. Supply Corps Quota Authorizations and Selections by the Lateral Transfer and Redesignation Board. (Source: Navy Administrative Messages, 1996-2006; Lateral Transfer and Redesignation Board Requirement Letters, 1996-2006)

2. Summary

While the URL is experiencing an overage (see Figure 6), this overage is occurring in the junior grades, even with the recent reductions in accessions. The shortages in the RL are occurring at the senior control grades of O-4 and above. This situation is not expected to improve in the near future due to the inability of the URL OCMs to release officers in these critical grades in which retention has been of great concern over the last several years. The reduced pool of applicants has caused recent disconnects between what is requested for new accessions and what is actually being selected by the Board. Several OCMs commented on recent boards giving applicants

their first or second choice “without giving consideration to matching skills of the officer to the right designator.” (Author interview with the HR OCM, Dec 2006).

Several suggestions were proposed by the various OCMs to improve the lateral transfer and redesignation process. Expansion of the Option Programs for USNA and NROTC students was recommended by both the Surface Warfare OCM, and several of the RL OCMs, which do not currently benefit from the program. The URL designators would receive these junior officers for the first two to three years of their career, during which time they gain warfare qualification, leadership skills, and attain a rank more in keeping with the RL OPAs. Other suggestions included placing OCMs on the Lateral Transfer and Redesignation Board (which is currently comprised of random senior officers throughout the Navy), and having the Board convene more often than twice a year. OCMs on the Board are expected to be able to better screen applicants to match skills with designators and convening the Board more often is expected to reduce the wait time between selection and the new designators actually acquiring the officer.

As demonstrated by the responses from the OCMs, the importance of the lateral transfer and redesignation process to the various RL designators is strictly dependent on whether they have the ability to access from other commissioning sources. The designators with no other means of accessing new officers are feeling the impact of the recent decrease in the pool of lateral transfer and redesignations applicants caused by reduced accessions and URL manpower shortages.

B. CRITERIA FOR SELECTION INTO THE RL AND STAFF CORPS

This section reviews the eligibility criteria for officers applying for selection into RL and Staff Corps designators. The information presented was obtained through interviews with RL and Staff Corps OCMs, and from the MILPERSMAN 15560D.

1. Selection Criteria

Selection into the RL and Staff Corps is very competitive and often entails multiple application submissions. Presented below is an overview of the guidelines governing selection by the Lateral Transfer and Redesignation Board for the various RL designators and CEC and Supply of the Staff Corps.

a. RL

(1) AED 151X. Selection into the AED designator requires applicants to be aviation-warfare qualified, to have attained the rank of LT but not served more than three years as a commander, have at least four years of sea duty time, and have extensive operational experience. Educationally, applicants with a master's degree in engineering or the physical sciences are viewed favorable although officers with a Bachelor's in engineering or the physical sciences in combination with a Master's in management will also be considered. Two additional criteria viewed favorably by the Board are a record of sustained superior performance in their current designator and letters of recommendation from senior AED officers (MILPERSMAN 15560D, 2002; Author interview with the AED Detailer, Dec 2006).

(2) AMD 152X. Applicants to the AMD designator must also be aviation-warfare qualified and must be in the grade of commander or below. A degree in engineering, the physical sciences, or in business is recommended in addition to maintenance experience, which, although not required, was said to definitely enhance the likelihood of selection. Sustained superior performance and recommendations from senior AMD officers are also considered to strongly strengthen an applicant's package (MILPERSMAN 15560D, 2002).

(3) ED 146X. Selection for transfer into the ED designator requires that applicants be either surface or submarine warfare qualified and in the grades of LT and above. The preferred fields of study are engineering or the physical sciences and achieving academic excellence is an "extremely important value" to the board and weighs heavily on consideration for selection (Author interview with the ED OCM, Dec 2006). Also of value is a record of sustained superior performance, a technical background, and professional recommendation letters from senior ED officers. Graduate education that directly relate to the responsibilities of the Naval Sea Systems Command or Space and Naval Warfare Systems Command is also viewed most favorably (MILPERSMAN 15560D, 2002).

(4) FAO 17XX. As mentioned previously, there are three levels of classification within the FAO designator, each with their own criteria for selection. New build FAOs must have attained the rank of LT or above, have eight to twelve years of commissioned service, and a minimum Defense Language Aptitude Battery (DLAB) score of 95. Officers applying for enhanced and fully qualified FAO must have attained the rank of LCDR or above, have completed a minimum of eight years of commissioned service, possess a political military Master's or have significant overseas expertise, and also score 95 or above on the DLAB (NPC, <https://www.npc.navy.mil/officer/foreignarea/>, Dec 2006).

(5) HR 120X. Officers requesting transfer into the HR designator must be in the grade of LT and above and, although applications will be accepted from any designator, primary consideration for selection is given to those applicants with an aviation, submarine or surface warfare qualification. Non-warfare-qualified officers with outstanding performance records and prior experience in the HR core competencies along with exposure to positions in accessions processing, recruiting, manpower analysis, personnel systems, and training systems also may be considered.

As for desirable educational background, training in business, computer science, information systems management, operations research, public administration, or manpower systems analysis is viewed highly as is certification as a Professional in Human Resources (PHR) or Senior Professional in Human Resources (SPHR) (Author interview with the HR OCM, Dec 2006).

(6) IP 160X. Officers applying for lateral transfer into the IP designator must have attained the rank of lieutenant or above and have a strong technical or operational background. The educational requirements consist of exposure to automatic data processing (ADP) management, information systems, communications, command and control, space systems operations or engineering, and computer science. Applicants are also recommended to complete the IP basic qualification, Joint Professional Military Education (JPME) Phase I, and the C4 information assurance or knowledge management related correspondence courses. (Officer Transfer/Redesignation Board Requirements Guidelines, 2006). It is also beneficial to have a record of sustained

superior performance, professional recommendation letters from senior IP officers, and on-the job training in the IP field from previous tours.

Additionally, according to the OCM, officers will be considered from any designator, however, primary consideration will be given to warfare qualified officers because they bring “a certain skill set, such as creditability, at-sea experience, leadership skills, and warfare knowledge” that is very important to the IP designator because the majority of their billets are at sea. The OCM also stated that they rarely accept officers who do not possess warfare qualification. The importance of warfare qualification was also seen with regards to promotion. The OCM indicated that qualified officer at the 0-4 grade selected for promotion 28 percent higher in 2005 and 33 percent higher in 2006, than their non-warfare qualified counterparts (Author interview with the IP OCM, Dec 2006).

(7) IW 164X. There is no particular grade requirement for selection into IW, and, even though a warfare qualification is not required, officers are encouraged to complete their warfare qualification during fleet tours, because “the experience of fleet warfare tactics in supporting the requirements of warfare commanders and preparing officers for assignments on surface combatants is vital to the Navy.”

The preferred fields of study for selection into the IW designator include electrical engineering, the full series of calculus and physics courses, information warfare, or computer science. Applicants must also be qualified for sea duty and be eligible for a Top Secret/Special Access security clearance (MILPERSMAN 15560D, 2002; Author interview with the IW OCM, Dec 2006).

(8) Intelligence 163X. Applicants for selection into the Intelligence designator must have attained the rank of lieutenant and will be considered from any warfare designator, but primary consideration will be given to warfare qualified officers based on their operational experience and cognitive diversity. Possessing these traits, according to the OCM “enables an officer to build on their career progression and upward mobility.” The OCM also recommended a record of sustained superior performance, professional recommendations, particularly those from Naval Intelligence Officers, and prior experience in Intelligence as advantageous to selection. “While

intelligence experience is not required, succeeding in intelligence duties will definitely enhance the likelihood for selection. Therefore, officers should highlight their exposure to intelligence functions in the course of their duties.” (Author interview with the Intelligence OCM, Dec 2006). Educationally, applicants should have a background in modern history, political sciences, international relations, international economics, operational analysis, or the physical and natural sciences and it was mentioned that graduate education in political science, international relations, or national security affairs is beneficial (MILPERSMAN 15560D, 2002; Author interview with the Intelligence OCM, Dec 2006).

(9) OCEANO 180X. OCEANO desires officers with sustained superior performance at sea who are deployable worldwide. Applicants must be in the grade of LCDR or below and must have prior operational experience in a meteorology, oceanography, or hydrography. Officers must have training in physical oceanography, mathematics, physics, geophysics, or engineering with at least 30 semester hours of courses in meteorology or oceanography. Warfare qualification from any of the URL designator is required because, according to the OCM, “it brings operational experience of being at sea, enabling an officer to understand the Navy’s operations and therefore allowing them to better perform their job as an oceanographer.” (MILPERSMAN 15560D, 2002; Author interview with the OCEANO OCM, Dec 2006).

(10) PAO 165X. Officers applying to PAO must be in the grades of LT and above and warfare qualification is desired, but is not required for selection into the designator. Educational experience is recommended in public relations, communications, journalism or marketing. Additionally, an officer with a record of sustained superior performance, professional recommendation letters from senior Public Affairs Officers, and prior experience in a Public Affairs billet, or as a collateral duty public affairs officer, will be viewed most favorable for selection by the Board. (Author interview with the PAO OCM, Dec 2006).

b. Staff Corps

(1) CEC 510X. Applicants for selection into the CEC must have completed a minimum of two years of active commissioned service but not more than three years as a lieutenant by the convening date of the board; applicants with less than

five years of commissioned service will be given primary consideration. Warfare qualification is not required although officers possessing warfare qualification from any of the URL designators will be given primary consideration, because, as the OCM stated, “Officers who possess a strong performance records coupled with a warfare specialty provides the most desirable mix of qualifications for transition into the CEC.” (Author interview with the CEC OCM, Dec 2006). Educationally, officers applying to the CEC should possess a strong background in engineering, architecture, and civil, mechanical, and electrical engineering (MILPERSMAN15560D, 2002).

(2) Supply Corps 310X. Supply Corps applicants must have completed at least two years of active commissioned service, but not have more than three years as a LT by the convening date of the board. They should have a thorough background in business, industrial engineering, or mathematics but should consider taking business/quantitative courses to enhance their selection potential if they do not. (MILPERSMAN 15560D, 2002). Warfare qualification is not required; however, primary consideration will be given to officers who have attained warfare qualification. The OCM said it was also important to have a record of superior performance and that, for those officers not possessing warfare qualification, it would be valuable to have weapons system experience which will enable them to become qualified more easily during underway time (Author interview with the Supply Corps OCM, Dec 2006).

2. Summary

As seen by the criteria required by the various RL designators, a high value is placed on possessing warfare qualification. Even though the majority of designators did not strictly require warfare qualification, all but one stressed that a warfare qualification was either desired or was given priority over non-warfare qualified applicants. As a number of the OCMs noted, warfare qualification brings specific skills, experience and knowledge to the RL designators that are vital in supporting the mission of the warfare commander.

Several of the RL designators, particularly those with no ability to directly access from the commissioning sources, expressed a requirement to select only officers in the grade of LT, LCDR, or above. The primary source of applicants for these grades is the URL and unfortunately, these grades are in short supply in the URL. The current

challenge is trying to meet the demands of the RL through the lateral transfer and redesignation process while recognizing that the URL officers are in great demand in their original designators. The URL OCMs cannot afford to lose their officers to the lateral transfer process, and any changes in the methods of accession for the RL will require a lengthy bureaucratic process, which will not correct the current shortages or fill the gapped billets.

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V. QUANTITATIVE ANALYSIS

A. INTRODUCTION

This chapter presents the quantitative results of the analysis of the retention of applicants for lateral transfer and redesignation. A multivariate logistic regression model was estimated to determine retention effects of being selected or not selected for a lateral transfer or redesignation. Additionally, separate models were estimated for the selected and not selected sub-groups to identify differences in the effects of the explanatory variables between the two groups. The multivariate logistic regression model was used because the dependent variables are binary.

B. DATA DESCRIPTION

The data was obtained from the Naval Personnel Command (NPC) and represents officer applications to the Lateral Transfer and Redesignation Boards held between 1996 and 2006. The Lateral Transfer and Redesignation Board data was merged with data from the Active Duty Military Officer Cohort Personnel Master File provided by the Defense Manpower Data Center (DMDC). The merged file, after correcting for missing values and omitting officers in the Limited Duty and Chief Warrant Officer designators, contained 6,092 observations. The observations described general demographic information, and military information such as commissioning source, designator, the board applied to and selection status. Merging the officer application data with the officer cohort data allowed for the identification of those officers who have changed designator or left the Navy.

C. VARIABLE DESCRIPTION

1. Dependent Variable

The models in this study attempt to: 1) determine the retention effects of being selected or denied for lateral transfer and redesignation and; 2) compare the retention effects between officers who were selected and those who were not selected for lateral transfer and redesignation. The binary dependent variable (LEAVE) indicates the likelihood of an applicant leaving the Navy (LEAVE = 1 if the officer left and LEAVE = 0 if the officer stayed). For Models 2 and 3 the LEAVE variable is regressed on sub-

samples selectees and non-selectees. The independent variables chosen were those expected to have an influence on retention.

2. Independent Variables

a. Sex

The variable 'SEX' was divided into the binary values 'MALE' and 'FEMALE', indicating an officer's gender. The value FEMALE = 1 if the officer is female and FEMALE = 0 if the officer is male. The value MALE = 1 if the officer is male and MALE = 0 if the officer is female.

b. Race

The variable 'RACE' was divided into the binary values 'MINORITY' and 'NON MINORITY', indicating an officer's race or ethnicity. The value MINORITY = 1 if the officer is non-white and MINORITY = 0 if the officer is white. The value NON MINORITY = 1 if the officer is white and NON MINORITY = 0 if the officer is non-white.

c. Marital Status

The variable 'MARITAL' was divided into the binary values 'MARRIED' and 'NOT MARRIED', indicating an officer's marital status. The variable MARRIED = 1 if the officer is married and MARRIED = 0 if the officer is not married. The value NOT MARRIED = 1 if the officer is not married and NOT MARRIED = 0 if the officer is married.

d. Source of Commission

The variable 'ACCESSION CODE' was divided into the values 'ACADEMY', 'ROTC', 'OCS', and 'SOC OTHER'. These variables are all binary and indicate an officer's source of commission. The variable ACADEMY represents officers who graduated from the Naval Academy, ROTC represents officers who graduated from Reserve Officer Training Corp program, OCS indicates officers who graduated from Officer Candidate School, and SOC OTHER denotes officers who received their commission from sources other than those already identified.

e. Designator

The variable 'OCCUPATION CODE' was divided into the values 'UNRESTRICTED', 'RESTRICTED', and 'STAFF'. These variables are all binary and indicate the officer's designator at the time of application. The value UNRESTRICTED consists of officers in the URL (Surface, Submarine, Aviation, Special Operations, and Special Warfare). The value RESTRICTED signifies officers in the RL (AED, AMD, FAO, HR, INTEL, IP, IW, OCEANO, and PAO), and the value STAFF represents officers in the Staff Corps designators (CEC, Supply, Medical, and Nurse Corps).

f. Selection Status

The variable 'STATUS' was divided into the binary values 'SELECTED' and 'NOT SELECTED', indicating an officer's selection status. The value SELECTED = 1 if the officer was selected and SELECTED = 0 if the officer was not selected. The value NOT SELECTED = 1 if the officer was not selected and NOT SELECTED = 0 if the officer was selected. Table 1 illustrates the names and coding of the variables used for the analysis.

VARIABLE	DEFINITION
Dependent Variable	
LEAVE	= 1 if officer left; = 0 otherwise
Sex	
FEMALE	= 1 if female; = 0 otherwise
MALE	= 1 if male; = 0 otherwise
Race	
MINORITY	= 1 if non white; = 0 otherwise
NON MINORITY	= 1 if white; = 0 otherwise
Marital Status	
MARRIED	= 1 if married; = 0 otherwise
NOT MARRIED	= 1 if not married; = 0 otherwise
Source of Commission	
ACADEMY	= 1 if USNA; = 0 otherwise
ROTC	= 1 if ROTC; = 0 otherwise
OCS	= 1 if OCS; = 0 otherwise
SOC OTHER	= 1 if SOC OTHER; = 0 otherwise
Designator	
UNRESTRICTED	= 1 if URL; = 0 otherwise
RESTRICTED	= 1 if RL; = 0 otherwise
STAFF	= 1 if STAFF; = otherwise
Selection Status	
SELECTED	= 1 if selected; = 0 otherwise
NOT SELECTED	= 1 if not selected; = 0 otherwise

Table 1. Variable Names and Coding

D. DESCRIPTIVE STATISTICS

Table 2 below displays the means of the key variables. All values were derived from a population count of 6,092.

Variable	Mean	Std Dev
LEAVE	0.36	0.48
FEMALE	0.13	0.34
MALE	0.87	0.37
MINORITY	0.21	0.41
NON MINORITY	0.79	0.41
MARRIED	0.74	0.44
NOT MARRIED	0.26	0.44
ACADEMY	0.26	0.44
ROTC	0.34	0.47
OCS	0.28	0.45
SOC OTHER	0.12	0.33
UNRESTRICTED	0.91	0.29
RESTRICTED	0.04	0.21
STAFF	0.04	0.20
SELECTED	0.49	0.50
NOT SELECTED	0.51	0.50

Table 2. Variable Means (N=6092)

Table 2 indicates that 36 percent of the applicant population have left the Navy since applying. Of the entire population, 13 percent were female, 79 percent were non-minority and 74 percent were married. As for source of commission, 26 percent of the applicants graduated from the USNA, nearly 35 percent were ROTC graduates, 28 percent graduated from OCS and just over 12 percent received their commission from a source not previously identified. Regarding officer job category, the majority of officers who applied were URL officers (91 percent) with the RL and Staff Corps providing 4

percent of the applicants each. Considering selection status, 51 percent of officers who applied for a lateral transfer or redesignation were not selected.

Table 3 below indicates the numeric and statistical values of the selected and not selected population variables.

		NOT SELECTED	SELECTED	TOTAL APPLICANTS
VARIABLE	VALUE	3104 (51%)	2988 (49%)	N=6092
SEX	MALE	2522 (48%)	2772 (52%)	5294
	FEMALE	332 (42%)	461 (58%)	793
RACE	MINORITY	688 (53%)	620 (47%)	1308
	NON-MINORITY	2422 (51%)	2362 (49%)	4784
MARITAL STATUS	MARRIED	2262 (50%)	2247 (50%)	4509
	NOT MARRIED	839 (53%)	744 (47%)	1583
SOURCE OF COMMISSION	USNA	805 (50%)	796 (50%)	1601
	OCS	840 (50%)	842 (50%)	1682
	ROTC	1056 (51%)	1010 (49%)	2066
DESIGNATOR	UNRESTRICTED	2884 (52%)	2656 (48%)	5540
	RESTRICTED	127 (47%)	141 (53%)	268
	STAFF	104 (41%)	152 (59%)	256

Table 3. Numeric and Statistical Values of the Selected and Not Selected Populations

Of the 6,092 observations, 51 percent failed to select for lateral transfer or redesignation. With regards to gender, the selection rate for men was 52 percent, whereas for women it was 58 percent. An analysis of race data shows that the selection rate for minority officers was 47 percent vice 49 percent for non-minorities. The selection rate for married officers was 50 percent compared to 47 percent for single officers. Selection rates did not vary much across the three sources of commission. Finally, considering officer designators, Staff Corps officers had the highest selection rate 59 percent, while URL officers had the lowest, 48 percent.

Table 4 shows the differences in retention behaviors between the selected population and the not selected population.

		NOT SELECTED (N=3104) LEAVE	SELECTED (N=2988) LEAVE	TOTAL LEAVE
VARIABLE	VALUE	1492 (67%)	722 (33%)	N=2214
SEX	MALE	1401(73%)	521(27%)	1922
	FEMALE	160 (55%)	131 (45%)	291
RACE	MINORITY	291 (68%)	136 (32%)	427
	NON MINORITY	914 (51%)	875 (49%)	1789
MARITAL STATUS	MARRIED	1007 (68%)	471 (32%)	1478
	NOT MARRIED	483 (66%)	251 (34%)	734
SOURCE OF COMMISSION	USNA	422 (68%)	197 (32%)	619
	OCS	385 (67%)	193 (33%)	578
	ROTC	514 68%)	240 (32%)	754
DESIGNATOR	UNRESTRICTED	1401 (69%)	638 (31%)	2039
	RESTRICTED	43 (59%)	30 (41%)	73
	STAFF	39 (42%)	53 (58%)	92

Table 4. Retention Behaviors for Officers Selected and Not Selected for Transfer or Redesignation.

Of the 6,092 officers who applied between 1996 and 2006, 2,214 have since left the Navy, a loss rate of 36 percent. Of those not selected (N=3104), 48 percent (1492) leave the Navy. Of those selected (N=2988), 24 percent (722) leave the Navy. A total of 87 percent of the officers that left the Navy were male, 73 percent of which were not selected. Females represent 13 percent of the officers that left. Of the females who left, 55 percent were those who were not selected.

Minority officers represent 19 percent of the officers that left the Navy. Of the minority officers that left, 68 percent were not selected; there was little difference in the

loss rate for non-minority officers between those selected and not selected. Sixty-seven percent of the officers that left were married. Thirty-six percent more married officers that were not selected left the Navy than those that were selected. Unmarried officers indicated similar results with 66 percent of those not selected leaving the Navy.

Regarding the variables listed for source of commission, each displayed significant differences in the percentage of officers who were not selected and left and those that were selected and left. Finally, URL and RL officers who did not select for lateral transfer left the Navy at significantly higher rates than those officers who were selected, at 69 percent and 59 percent, respectively.

E. RESULTS OF MULTIVARIATE MODELS

The results indicate the retention effects for officers who applied for lateral transfer and redesignation and the differences in retention effects between officers who were selected and those that were not selected for lateral transfer and redesignation. The base case variables are: MALE, NON MINORITY, MARRIED, ROTC, RESTRICTED, and SELECTED.

Table 5 displays the estimated coefficients of the logit multivariate retention model for the full sample. Asterisks indicate which variables were statistically significant.

Model 1: All Applicants			
Variable	Coefficient	Significance Level	Partial Effects
Intercept	-1.68	.00	
FEMALE	-.01	.89	-.00
MINORITY	-.28	.00*	-.03*
NOT MARRIED	.61	.00*	.10*
ACADEMY	.12	.11	.02
OCS	-.05	.50	-.01
SOC OTHER	-.05	.57	-.01
UNRESTRICTED	.42	.00*	.06*
STAFF	.56	.00*	.09*
NOT SELECTED	1.08	.00*	.20*
TEST		CHI-SQUARE	Pr > CHI SQ
LIKELIHOOD RATIO		505.43	<.0001
SCORE		492.94	<.0001
WALD		464.26	<.0001
R-SQUARE 0.08			
Sample Size = 6,092			
Probability of Leaving: .16			

Table 5. Retention Model for Applicants who Applied for Lateral Transfer or Redesignation

Model 1 indicates that the coefficients FEMALE, ACADEMY, OCS and SOC OTHER are not significant, which indicates there is no association between these

variables and the dependent variable LEAVE. The coefficients MINORITY, NOT MARRIED, UNRESTRICTED, STAFF and NOT SELECTED were significant in the LEAVE model. The coefficient of MINORITY was negative, which indicates that minority officers are significantly *less likely* to leave the Navy compared to non-minority officers. The positive coefficient of NOT MARRIED indicates that officers who were not married are significantly *more likely* to leave the Navy, compared to officers who are married.

The coefficient on UNRESTRICTED was significant in Model 1 and had a positive effect on retention. This effect indicates that URL officers are significantly *more likely* to leave the Navy when compared to RL officers. Also significant was the coefficient of STAFF, which indicates that Staff Corps officers are significantly *more likely* to leave the Navy when compared to RL officers. Finally, the coefficient NOT SELECTED was significant in Model 1 with a positive effect on the dependent variable LEAVE. This indicates that officers who are not selected for lateral transfer or redesignation are significantly *more likely* to leave the Navy when compared to officers who are selected.

The partial effects listed in Model 1 indicate either a positive or negative effect on the dependent variable LEAVE for each of the explanatory variables individually, while holding the other explanatory variables in the model fixed. Model 1 shows that minority officers are 20 percent (three percentage points) *less likely* to leave the Navy than the base case NON MINORITY. Single officers are 60 percent (10 percentage points) *more likely* to leave the Navy compared to the base case MARRIED. URL officers are 40 percent (six percentage points) *more likely* to leave the Navy than the base case RESTRICTED. Staff Corps officers are 53 percent (nine percentage points) *more likely* to leave the Navy compared to the base case RESTRICTED. Finally, officers not selected for lateral transfer or redesignation are *more than twice as likely* (20 percentage points) to leave the Navy compared to the base case SELECTED.

Table 6 shows the retention effects for the selected and not selected populations separately in order to perform a comparison between the effects of each explanatory variable.

	Model 2: Not Selected Applicants			Model 3: Selected Applicants		
Variable	Coefficient	Significant Level	Partial Effect	Coefficient	Significant Level	Partial Effect
Intercept	-0.63	.00		-1.66	.00	
FEMALE	-.14	.24	-.03	.12	.33	.02
MINORITY	-.30	.00*	-.06*	-.25	.03*	-.03*
NOT MARRIED	.57	.00*	.14*	.67	.00*	.11*
ACADEMY	.14	.12	.03	.07	.51	.01
OCS	-.04	.63	-.01	-.05	.67	-.01
SOC OTHER	-.18	.12	-.04	.14	.35	.02
UNRESTRICTED	.51	.01*	.12*	.32	.14	.05
STAFF	.15	.59	.03	.83	.00*	.14*
Test	Chi-Square	Pr > ChiSq		Test	Chi-Square	Pr > ChiSq
Likelihood Ratio	77.77	<.0001		Likelihood Ratio	65.93	<.0001
Score	76.80	<.0001		Score	68.58	<.0001
Wald	74.88	<.0001		Wald	66.62	<.0001
R-Square 0.02				R-Square 0.02		
Sample Size = 6,092						
Probability of Leaving: .35				Probability of Leaving: .16		

Table 6. Separate Retention Models for Officers Selected and Not Selected for Lateral Transfer or Redesignation.

The coefficients FEMALE, ACADEMY, OCS, and SOC OTHER are not significant in Models 2 and 3, indicating that there is no association between these variables and the dependent variable LEAVE. The coefficients MINORITY and NOT MARRIED are significant in both models indicating an effect between these and the dependent variable LEAVE. The negative coefficient of MINORITY in both models indicates that minority officers are significantly *less likely* to leave the military when either selected or not selected for lateral transfer or redesignation. In contrast, the positive coefficient of NOT MARRIED in both models shows that single officers are significantly *more likely* to leave when either selected or not selected.

The positive coefficient of UNRESTRICTED was significant in Model 2, but not significant in Model 3. Conversely, the positive coefficient of STAFF was significant in Model 3 but not in Model 2. These effects indicate that Staff Corps officers are significantly *more likely* to leave the military when selected, whereas URL officers are *more likely* to leave when they are not selected.

As previously stated, the partial effects indicate the effect on the dependent variable for each explanatory variable, while holding the other explanatory variables fixed. The partial effects for Model 2 indicate that minority officers are 17 percent (six percentage points) *less likely* to leave when compared to the base case NON MINORITY. Single officers and URL officers are 40 percent (14 percentage points) and 34 percent (12 percentage points), respectively, *more likely* to leave when not selected compared to the base cases MARRIED and RL. Model 3 partial effects indicate that minority officers are 20 percent (three percentage points) *less likely* to leave when selected compared to NON MINORITY officers, while single officers are 73 percent (11 percentage points) and Staff Corps officers are 88 percent (14 percentage points) *more likely* to leave when selected, compared to MARRIED and RL officers.

F. SUMMARY

The data shows that of the three multivariate logistic regression models used to examine the impact of demographic and military background factors on retention that race, marital status and designator are significant predictors of retention. According to the base logistic regression model estimated for the entire sample, officers who apply for

lateral transfer but are not selected are more than twice as likely to leave the Navy as those who are selected. Additionally, minority officers are *less likely* to leave the Navy when either selected or not selected and single officers are *more likely* to leave when either selected or not selected for lateral transfer or redesignation. Finally, URL officers are 34 percent *more likely* to leave the Navy when not selected.

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VI. CONCLUSIONS, RECOMMENDATIONS, AND AREAS FOR FURTHER RESEARCH

A. CONCLUSION

The studies initial hypothesis was that the lateral transfer and redesignation process has a negative impact on the URL due to a loss of quality officers to the RL and Staff Corps. The results of the data indicates that the impact is not necessarily negative. While it is true that the process draws officers from the URL designators to fill RL and Staff Corps designators, in most regards these are officers who, for whatever reason, would not remain in their original designator if they were not allowed to transfer. Whether due to dissatisfaction with their original designator and the lifestyle it requires, or due to personal and professional elements which make a change of designator desirable, applicants for lateral transfer and redesignation are either accepted and continue their Navy career in a RL or Staff Corps designator, or, if not selected, to a large degree leave the Navy.

The surveys examined in Chapter III identified several factors which have repeatedly been rated as dissatisfiers. These dissatisfying factors (job satisfaction, shipboard life, family separation, command morale, and leadership) were found to potentially have a significant impact on retention. The discrepancies between the levels of satisfaction with work performed and job satisfaction are attributed to issues in the officer's community. Officers have consistently reported that they like Navy work overall, but are not satisfied with various aspects of their job. The dissatisfying factors with the greatest room for future improvement are command morale and leadership. Identifying and working to improve these aspects can result in substantial improvements in command morale and overall job satisfaction. Emphasizing the importance of these aspects to Navy leaders may greatly increase retention of the population most dissatisfied, junior URL officers.

Interviews with RL and Staff Corps OCMs revealed their reliance and the value placed on selecting URL officers. They believe that officers who have obtained warfare qualifications bring valuable knowledge, operational experience and specific skills to their communities, paying great dividends to the individual designators and the Navy as a

whole. Besides their warfare qualifications, URL officers possess other value to the Navy as a new accession to a new community. The majority of these designators do not have the ability to direct access officers from the normal commissioning sources, nor do they have Ensign OPA, requiring them to access officers in the grade of LT, LCDR, or above. The only source of application for these grades is the URL and, unfortunately, due to decreasing end strength in these grades causes them to be in short supply.

The OCMs' dissatisfaction with the new method for management of officer quotas was of particular interest. Officers accessing through the lateral transfer and redesignation process hold OCMs to YG constraints. During OCM interviews, they said they feel they should be allowed to access the number of officers they need to fill empty billets in accordance with their OPA. Often times their requests for a particular grade, due to OPA restrictions, are filled by applicants from a YG which is not experiencing manning shortages and not necessarily in the requested grade. OCMs' explained recent boards have selected officers who do not meet even the minimum requirements for the designators to which they have applied, providing RL and Staff Corps OCMs with officers that must undergo training before they can be fully utilized.

The quantitative analysis concluded that officers who apply to the lateral transfer and redesignation board and are not selected are more than twice as likely to leave the military as compared to officers who are selected. The separation rate for non-selectees was 48 percent compared to only 24 percent for selectees. Finally, other variables found to be significant predictors of retention behavior were race, marital status, designator and selection status.

B. RECOMMENDATIONS

As reported by several survey respondents, restricting the ability of URL officers to lateral transfer or redesignate does not improve retention, it simply forces officers to leave the Navy instead of allowing them the opportunity to continue their Navy career in a different designator. The key to enhancing URL retention is to improve the factors that were identified as most dissatisfying. This may be accomplished by soliciting suggestions and recommendations from the fleet as to specific changes desired and then implementing these changes with the full support of Navy planners and leadership.

It is also recommended that officers be allowed the opportunity to lateral transfer or redesignate for a better fit with their educational background and future career goals. URL OCMs currently withhold Lateral Transfer and Redesignation Board packages from officers in YGs experiencing manning shortages. A requirement that ensures all packages are forwarded would allow the Board to make selection decisions and ensure an equitable opportunity for all applicants.

Two recommendations pertaining to the RL and Staff Corps OCMs include allowing them a larger role in the selection process and the ability to direct access officers from normal commissioning sources. OCMs expressed a desire to sit on the lateral transfer and redesignation board or to at least be given the opportunity to screen application packages prior to submission to ensure applicant qualification for both primary and secondary designator choices. Several OCMs expressed the need for additional accessions, in light of URL manning shortages that currently are restricting the applicant pool. The suggestion was to allow these designators the ability to direct access new officers from the commissioning sources or through the options programs now open only to the Engineering Duty (ED) and Information Professional (IP) designators.

It is recommended that application package data be maintained electronically in a centralized location. It is currently maintained in hard copy only and requires copying, scanning, and formatting of the Lateral Transfer and Redesignation Board Results data in order to perform any sort of analysis. Maintaining the information electronically will enable further study of the lateral transfer and redesignation board process to better facilitate tracking of trends and changes over time.

Finally, it is recommended that a system be developed to provide feedback to applicants not eligible and not selected. Over 800 applications were received by the board over the last five boards from officers who were not eligible to apply (as denoted by a D – representing DISENROLLED). Additionally, informing applicants not selected the cause for non-selection, *i.e.*, too junior, educational background, not within one year of MSR, etc., will encourage future qualified submissions and discourage unqualified ones in the future.

C. AREAS FOR FURTHER RESEARCH

It is recommended that further research be done to examine the changes in RL and Staff Corps lateral transfer and redesignation requirements as a result of new Force Shaping initiatives, which allows training attrites to choose a new designator and remain in the Navy. Further, it is recommended that the methodology for selecting members and the process through which they select applicants be further examined for improvements. Finally, an analysis is needed to determine the effects on retention before and after the initiation of the URL-Only rule for USNA and NROTC commissioning programs.

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